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SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

July 5, 1978

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DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

RUTH S. KADISH
President

MORRIS BERNSTEIN
Vice-President

WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport
San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
SPECIAL MEETING

July 5, 1978

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Call to Order

The Special Meeting of the Airports Commission was called to order at 2:37 p.m. in Room 300, 101 Grove Street (the Public Health Building), San Francisco, California.

* * *

Roll Call

Present:

Commissioners Morris Bernstein,
Ruth S. Kadish, William E.
McDonnell, Z. L. Goosby

Absent:

Commissioner William K. Coblentz

* * *

Pledge of Allegiance

Led by Commissioner Goosby

* * *

Approval of Minutes

The Minutes of the Airports Commission meetings of April 4 and April 18, 1978 were approved.

* * *

Calendar Items

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

- (1) Approval of Professional Services Agreement Updating Airport Traffic Master Plan.

Resolution approving professional service agreement with D. Jackson Faustman for updating the Airport Traffic Master Plan and associated traffic engineering services.

This agreement will provide for consulting traffic engineering services to assist in carrying out the approved Airport Program Modernization and Replacement Phase.

Maximum fee is \$46,000.00.

Agreement to terminate on July 30, 1979 unless extended by resolution of the Commission.

Mr. Richard Heath, Director of Airports, said that Dr. Faustman had performed work for the Airport in the past and this agreement would help update our traffic master plan and have him serve as consultant in various related areas. Mr. Heath said that Mr. Faustman will give the Airport an evaluation of our intra-terminal transportation needs and programs the Airport could undertake to encourage people to utilize mass transit instead of autos.

Commissioner Kadish asked if Dr. Faustman's work would include an investigation of an airport user fee such as Dallas/Ft. Worth has.

Mr. Heath said that it would include whatever areas Dr. Faustman would know of and he is well aware of practices at airports in this and other countries.

Commissioner Kadish said that it might be a good idea to call attention to that particular idea and for Dr. Faustman to look at the airport as a whole from a management viewpoint rather than an income-generating point of view. She said that she had read the June issue of Airport Services Management Magazine which has a good article about the subject. She said that one way to deal with increased auto traffic is to have cars pay a toll for coming onto the Airport. She said that that eliminates many cars, and increases revenue. She said that there might be some possibility of a reduction of the toll to come onto the Airport taken off the parking fee upon exiting.

Mr. Heath said that during peak periods the Airport might have problems of traffic backing up onto the freeway. Mr. Heath said that the contract is broad enough to include that kind of evaluation.

Commissioner McDonnell said that there were many things at Dallas/Ft. Worth Airport and San Francisco did not have to try everything, especially such things as the change machine that returns 95 cents for every dollar.

Commissioner Goosby asked if Dr. Faustman's contract covers assessment of the types of machines used for collecting parking fees in the garages.

Mr. Heath said that the financial aspects of the parking lot machines are being looked at by Touche Ross and Mr. Heath would ask Dr. Faustman to evaluate the functional aspects of these machines. Mr. Heath said that some suggestions may be made by Dr. Faustman as to ways to get people to leave their cars at home.

Commissioner McDonnell asked whether the discussions on the Airport leaving from the Transbay Terminal had led to a decision.

Mr. Heath said that the discussions were still on-going, and for the immediate future Airporter would leave from its location near the Hilton Hotel. Mr. Heath said that should the Hilton not continue Airporter's lease, there is a question as to whether Airporter will retain the terminal area as its downtown terminal or whether they will lease something else. Mr. Heath said that the correct plan is to put AC Transit, Greyhound, Golden Gate Transit, and Muni into the Transbay Terminal which would have a moving sidewalk connecting to BART. But, Mr. Heath said that he didn't think it was planned to make the Transbay Terminal a downtown terminal for the Airporter. He added that one of the problems of mass transit in San Francisco is that every different carrier operates at a different terminal.

Commissioner Goosby said that a place is needed where carriers can pick up and leave their passengers in town, but not in an already congested area in the City. He said that he assumed Dr. Faustman will look into many innovative approaches such as checking baggage before getting on the bus, etc.

Mr. Heath said that Dr. Faustman would primarily be dealing with traffic circulation at the Airport itself, but as part of the Airport's continuing study; Airport task forces are looking at specific problems such as what can be done to encourage people to take SamTrans and Airporter.

* * *

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

- (2) Professional Services Agreement, W. Grayson Heath & Company, Modification No. 1.

No. 78-0170

This modification will continue the contract (not to exceed six months) beginning on July 1, 1978, with the present arrangement whereby W. Grayson Heath and Company will continue the professional services requested to determine escalator/elevator contract compliance. This will be at no additional cost to the Airport.

Mr. Heath said that this is a professional services agreement with W. Grayson Heath & Company which extends the agreement through December 31, 1978 at no additional cost to the City. He said that W. Grayson Heath will evaluate the Airport's maintenance facilities.

* * *

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

- (3) Landing Weights for Airline Aircraft Operating at San Francisco International Airport from July 1, 1978 through June 30, 1979.

Resolution approving the maximum gross landing weights for each type of aircraft operated by the scheduled airlines operating at San Francisco International Airport for the period July 1, 1978 through June 30, 1979.

The maximum gross landing weights must be updated each fiscal year to reflect all changes in aircraft type, model, etc.

Mr. Heath said that this is the annual acceptance of landing weights for scheduled airlines operating at San Francisco International Airport. He said that the Airport was indicating what the landed weight for aircraft operated by scheduled airlines would be as well as what the landing fees were up to June 30 and what they will be starting July 1st for aircraft that will be operating next year.

Commissioner McDonnell asked if the increases would provide funds for the additional construction.

Mr. Heath said that the increased landing fees did not include any surcharges. He said that he hoped that they wouldn't have to go into effect.

Commissioner Kadish asked if the Airport could charge more for noisier than for quieter aircraft.

Mr. Heath said that it wasn't possible at the present time, but could be considered when the three-year review of landing fees occurs in a year.

Commissioner Goosby asked, if airlines exceed the assigned weight, was a penalty charged.

Mr. Heath said that these were certified weights. He said that the Airport didn't actually weigh the planes as they come in, but charged on the basis of the weights certified by the FAA.

Commissioner Goosby asked if private planes also pay landing fees.

Mr. Heath said that the private planes under ten thousand pounds do not pay a landing fee at this time.

* * *

On motion of Commissioner McDonnell, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

Bid Call, Airport Contract No. 1082, Overlay, Reconstruction and Blast Apron, Runway 1R-19L.

Resolution approving the final plans and specifications and authorizing the Director of Airports to call for bids for Airport Contract No. 1082, Overlay, Reconstruction and Blast Apron, Runway 1R-19L.

The work in general consists of reconstructing and overlaying the South End of Runway 1R-19L together with reconstruction of blast apron and raising of the settled North End of the Runway.

Mr. Heath said that this resolution would authorize the Airport to go forward on Contract 1082, the first part of \$3 million work on Runway 1R-19L. He noted that the map shows that the reconstruction will be on the takeoff portion of 1R and 19L, around the blast apron area. He said that the work must be done in phases in order to keep the Airport operational, but he said that it was hoped to finish before mid-October.

Commissioner McDonnell asked Mr. Heath when he hoped to start the work and when he hoped to finish it.

Mr. Robert Lee, Deputy Director for Planning and Development, said that the Airport hoped to start the work just after Labor Day and get it completed by mid-October.

Commissioner Goosby said that he assumed the bid documents contained some statement regarding affirmative action guidelines. He said that he would like a copy of the language the Airport routinely uses in our bid documents.

Mr. Lee said that there are two affirmative action requirements regarding this contract because this is an FAA contract. He said that both the City and FAA affirmative action statements applied to this contract and that these will be made available to Dr. Goosby.

* * *

On motion of Commissioner McDonnell, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

- 5) Bid Call, Airport Contract No. 1176,
Emergency Airfield Pavement Repairs, Fiscal Year 1978-79.

No. 78-0173

Resolution approving the final plans and specifications and authorizing the Director of Airports to call for bids for Airport Contract No. 1176, Emergency Airfield Pavement Repairs, FY 1978-79.

The purpose of this annual contract is to prevent important airfield pavements from being taken out of service and to avoid hasty negotiations for emergency pavement repairs by providing a means to perform urgent repair work over and beyond the capability of our maintenance forces.

Mr. Heath said that the Airport always has an emergency paving contract for breakdowns between major resurfacing projects. He said

that most of this work is done during nighttime hours because that is when traffic is lightest. He said that the previous contract was extended to past the end of fiscal 1977-78 and this is a call for a new contract for the new fiscal year.

* * *

On motion of Commissioner McDonnell, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

- (7) Contract No. 650C, (Completion of North Terminal Building), Modification No. 39, Ratifying Action by the Director of Airports on Change Orders (Debit), \$22,364.00.

No. 78-0174

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders 126 through 131 and requesting the Controller's certification of Modification No. 39 to Airport Contract No. 650C, in the total amount of \$22,364.00, for deleting wire mesh fencing, energizing electrical station TV2, installing aluminum cap covers over skylight struts, installing aluminum bridges modifying existing steel bin rails and installing steel grating in east and west mechanical rooms.

Mr. Heath said that this is a modification under Contract 650C which includes six change orders which will result in a debit of \$22,364.00. He said that the various design improvements in this contract were spelled out in his letter to the Commission of June 26th. He said that he would be happy to respond to any questions about specific change orders.

Commissioner Goosby asked if the Airport's architects look over these change orders to see if they are necessary. Mr. Heath said that they do but that the primary responsibility lies with Construction Management Company.

* * *

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

- (8) Contract No. 950, Boarding Areas H & I and Connector, Modification No. 28 (Debit), \$13,280.00.

No. 78-0175

Resolution approving and requesting the Controller's certification of Modification No. 28 to Airport Contract No. 950, in the total amount of \$13,280.00.

This modification consists of providing additional exit signs at entrances to jet loader bridges and exit doors; furnishing a credit to the City for deletion of fire sprinkler piping in 3rd level hub; providing 5 additional return air temperature control sensors; changing aluminum flashing at hub skylight from 0.032" gauge to 0.125" gauge; re-locating sprinkler riser to 2nd level hub to mechanical shaft; furnishing a credit to the City for change in buss bar density requirements in unit load centers; adding metal lath and plaster walls in Janitor's Room 215; providing additional labor and sponge rubber materials to make compression seals watertight.

Mr. Heath said that this involves two change orders; one change order has three items and the other change order has five items.

* * *

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following amended resolution was unanimously adopted:

Approval of Final Plans and Specifications and Authorization for Bid Call, Airport Contract No. 1183 - North Cooling Tower Air Intake Louvers, Central Heating and Cooling Plant.

No. 78-0176

Resolution approving the final plans and specifications and authorizing the Director of Airports to call for bids for Contract 1182, North Cooling Tower Air Intake Louvers - Central Heating and Cooling Plant.

This contract provides for the furnishing of stainless steel anti-splash louvers at the two air intake openings in each of the three north cooling tower cells. These louvers will prevent the chemically treated water spray in the cooling tower from blowing or drifting into the garage.

Mr. Heath said that this was on the agenda at the last meeting and a request had been made for further information. Mr. Heath said that this contract involves replacing air intake louvers. He said that since the last Commission meeting, the City Attorney's opinion

has been rendered to the effect that this item could become a separate contract put out to bid rather than a modification. Mr. Heath said that the Commission could either approve this modification or put it out as a separate contract.

Commissioner Bernstein asked Mr. Heath what he would recommend.

Mr. Heath replied that he would like it to go out as a separate contract.

Commissioner Kadish suggested that the Commission either delete this modification or send it out for bid.

Commissioner Goosby said that he had not read the City Attorney's opinion but he said that contractors would bid low on a job and once awarded a contract, would make up money by the use of modifications.

Mr. Heath said that the Airport is awaiting a recommendation from its architectural consultant, Mr. Howard Friedman, on this question and on how these kinds of things should be handled in the future. Mr. Heath said that he thought the bid process does have a way of keeping people honest.

Commissioner Bernstein asked if it would be possible to include ideas like those in the written document.

Mr. Heath said that he believes it would be a proper policy for the Airport staff to draw up the proposal and have the Commission consider it.

Commissioner Kadish said that she believed the current question before the Commission was the appropriateness of a bid on an item like the louvers. She said that in this case it seemed appropriate.

Commissioner McDonnell said that regarding the cooling towers there had been a question about the necessity for the louvers. He asked if that question had been resolved.

Mr. I. Grindheim of Construction Management Company told Commissioner McDonnell that it was.

Commissioner McDonnell suggested that this item be put out to bid.

Mr. Heath said that this contract does not need to be completed until sometime next year. He said that the segments of the garage in which the towers sit will be open long before this contract is completed.

Commissioner Kadish felt that the timing could be such that before the garage is open, the bid goes out and the louvers be in place.

Commissioner Goosby asked if segment two of the garage will be open before the cooling towers are completed. He said that if it was open and the cooling towers were operational, the Airport would be running a risk of getting cars splashed with the chemically treated water, damaging them and being liable for damage.

Commissioner Kadish said the louvers could be put in before that was completed.

Commissioner Goosby said that when the architects designed the cooling towers, the louvers were included because of the spray. He said that by the time the Airport would find out that louvers weren't needed, the spray might have already caused a problem.

Commissioner McDonnell asked how long it will take to complete the garage section with the cooling tower.

Mr. Grindheim said that it should be November or December of this year.

Commissioner McDonnell asked if the item were put out to bid, might it delay completion.

Mr. Grindheim said that it might. Commissioner McDonnell asked if the louvers could be installed after the other work is completed.

Mr. Grindheim said that it was possible if the other contractor agrees.

* * *

On motion of Commissioner Kadish, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

Contract No. 1015 (Garage): Stage V - Final Modifications,
Modification No. 6 (Debit), \$28,566.00.

No. 78-0177

Resolution approving and requesting the Controller's certification of Debit Modification No. 6, to Airport Contract No. 1015, Garage: Stage V - Final Modifications in the total amount of \$28,566.00.

Modification No. 6 requires the contractor to relocate an existing water main, valve, and fire hydrant in order that said conflicts with new construction can be eliminated.

Mr. Heath said that this modification is basically for relocating water mains and fire hydrants.

* * *

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

Contract No. 1015, (Garage): Stage V - Final Modifications,
Modification No. 7 (Debit), \$34,020.00.

No. 78-0178

Resolution approving and requesting the Controller's certification No. 7, to Airport Contract No. 1015, Garage: Stage V - Final Modifications in the total amount of \$34,020.00.

Modification No. 7 furnishes, installs and modifies core lobbies BC (B) and EF (D) and core extensions BC (B) and EF (D) surfaces to receive quarry tile inset cove base and sealant etc. Also deletes rubber base at locations provided for by the contract documents.

Mr. Heath said that this is the same contract as the previous item but it involves putting tiles in the ceiling. Mr. Heath said that this is the second item to come before the Commission about quarry tiles and brings the total cost of related charges to \$136,000.00.

* * *

On motion of Commissioner Kadish, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

Contract No. 1122, (Industrial Wastewater Collection System, Phase II), Modification No. 2 (Debit), \$24,986.56.

No. 78-0179

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders No. 1122-2 and No. 1122-3 in accordance with Airports Commission Resolution No. 70-004 and requesting the Controller's certification of Debit Modification No. 2 in the amount of \$24,986.56.

This modification involves installation of a 2" electrical conduit with encased concrete in lieu of direct buried conduit as required by the contract specifications and installation of two industrial wastewater mains at a lower elevation with two separate 22" steel casings in place of one 36" reinforced concrete casing to resolve a conflict with existing sewer lines.

Mr. Heath said that these are modifications to the industrial wastewater collection facility which involve various electrical and building modifications.

Commissioner Kadish said that this item related to the point she had brought up when the Director was not present, the necessity for accurate maps of all utility line placements on the Airport.

Mr. Heath said that the staff was working as rapidly as possible to obtain all available information and develop an accurate map.

* * *

On motion of Commissioner McDonnell, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

Resolution Approving Settlement of Claims (Debit \$2,258.46) and write-off of Miscellaneous Damage Claims (\$1,491.68).

No. 78-0180

Resolution approving settlement of claims and write-off of miscellaneous damage claims.

Mr. Heath stated that these have been reviewed by the City Attorney and himself.

Commissioner Kadish said that she was interested to note that one injury came from the moving sidewalk and railing. She said that as she went through North concourse and heard the announcement on the moving sidewalk, the words were almost unintelligible.

Commissioner McDonnell asked if the North Terminal would be wired for speakers. Mr. Robert Lee, Deputy Director for Planning and Development, said that there were speakers at about 50 yard intervals.

Commissioner Kadish said that she felt that the cases with the agricultural displays which had been on Pier B had not been very attractive, but the new displays were really great looking.

Mr. Heath said that he hoped to be getting more items from museums and various other institutions.

Commissioner Goosby asked if the Airport has insurance to cover accidents.

Mr. Heath said that we had a \$100,000 deductible insurance policy.

Commissioner McDonnell asked what the upper limit was on the Airport's coverage.

Mr. Emmett Smith, Assistant Deputy Director for Business and Finance, said that the Airport is insured up to \$100 million.

Commissioner Kadish asked how an insurance company was chosen.

Mr. Smith said that the policy goes out to bid. He said that the Airport places it with the City Purchaser and he secures the insurance.

* * *

On motion of Commissioner McDonnell, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

Tenant Improvement: Pan American World Airways,
Expansion of Domestic Baggage Claim Facilities, \$75,000.00.

No. 78-0181

Resolution approving the final plans and specifications submitted by Pan American World Airways showing the proposed expansion of their domestic baggage claim facilities in the South Terminal baggage

claim area. The work will consist of making space improvements to enlarge the baggage claim area and installing an oblong baggage claim device to replace the existing circular carousel.

The work will be done by Pan American World Airways at their own and sole expense and without rental credit. The estimated cost is \$75,000.00.

Mr. Heath said that this resolution would allow Pan American to replace their central baggage claim at their own and sole expense and without rental credit.

* * *

On motion of Commissioner Goosby, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

Oakland Service Case.

No. 78-0182

Resolution approving intervention in Oakland service case.

Mr. Heath said that this resolution requests permission to allow the Airport to intervene in the Oakland Service Case. He said that the Oakland Case appears to be a favorable development for this area but there were some considerations that the Airport needs to look at. He said that the CAB is trying an experiment by selecting fifteen different routes to and from Oakland which carriers would apply for; the CAB would certify all carriers that qualify. Mr. Heath said that on the other hand, some of the proceedings pointed out certain carriers would operate at a loss simply in order to extend their coverage to the West Coast so that one would not necessarily get more service, just more flights. He said that he had been polling the airlines in San Francisco and asking them what changes this would make in their current flight structure and their answer had been that there would be no difference. Mr. Heath said that this means it would not decrease the load at San Francisco Airport. He said that becoming a petitioner allows the Airport to be a part of the proceedings and submit comments. He said that Airport staff will report back to the Commission as to what is going on and the staff's assessment of the matter.

Commissioner McDonnell said that originally the main purpose was to get more service into and out of Oakland.

Mr. Heath said that there were two objectives: (1) to provide more service to Oakland and (2) to try this as an experiment and see if the results justify an extension to other markets. Mr. Heath said that the Justice Department has said that this will not provide any test of the competitive situation if it is confined to a single market. They felt it had to be conducted on a system-wide

basis. He said that Oakland Airport, though very much originally in favor of this position, is now changing its position on this also.

Commissioner Kadish said that San Francisco Airport's intervention should not be construed as an attempt to take business away from Oakland.

Mr. Heath said that that was correct; the Airport's position is that Oakland or any airport should get as much business as their market can support.

* * *

Director's Reports

Measures Taken Related to Parking Situation.

Mr. Heath said that over the Fourth of July weekend, the garage never filled up but Lot "D" was full throughout most of the day on Saturday and Sunday. He said that many vehicles parked along the roadway. He said that these points were made in the report given to the Commissioners at the beginning of the meeting. Additionally, he said that the report indicates that Airporter bus passengers were up substantially. Mr. Heath said that he has asked for a full statistical report on the July Fourth weekend. He said that the only major problem was on Friday night when traffic backed up on the freeway. He said that the Airport has put additional police officers on during this heavy period, but some people just won't be controlled. He said that the Airport has been working with the airlines to gain additional public parking spaces and trying to develop ways to encourage people to use other means of transportation. Mr. Heath said the publicity that the Airport has been advertising, including a telephone message which gives up to the minute information on the parking situation in the garage, with Park "N Fly and Anza. This may be why the problem seems to have been less than at past peak traffic periods.

* * *

Airport Parking.

Mr. Singer presented a report to the Commission on related parking matters. He recommended that cars the Airport impounds be moved from a lot adjacent to Lot "D" and that space be used for parking.

Commissioner Kadish asked how long impounded cars are kept.

Mr. Emmett Smith, Assistant Deputy Director for Business and Finance, said that they are handled under the California Lien Act. He said that if owners don't show up within a certain period of time the automobiles are auctioned off.

Mr. Singer said that an additional effort has been made to encourage other means of transportation other than automobiles: employees with parking passes have been given SamTrans schedules.

Mr. Heath said that these measures are having some effect.

Commissioner Kadish said that she had been at the Airport the preceding Wednesday and Thursday nights and she saw cars parked all along the roadway areas. She said that there had been only two officers on duty in both instances. She said that Mr. Heath had mentioned that there are now more officers on duty. Commissioner Kadish said that she felt this had to be checked.

Mr. Heath said that he felt the Airport would be a little less chaotic for the rest of this year.

* * *

Communications

Letter from San Mateo County Planning Division.

Mr. Heath called attention to the letter received from San Mateo County asking to make a presentation to the Commission. Mr. Heath said that Airport staff was looking into the matter.

Commissioner McDonnell said that the San Mateo request for financial assistance may not be proper under Proposition 13.

* * *

Airport Police Championship Softball Team.

Mr. Heath said that the Airport Police Chief, Tom Dempsey, had asked him to call to the Commission's attention that the Airport Softball team had been undefeated. He requested permission from the Commission to prepare a commendation for the team.

Commission President Bernstein so ordered it.

* * *

Funeral for Firefighter.

Mr. Heath said that he had received a call from the San Francisco Fire Department that the funeral of their fellow fireman would be held at 10:00 a.m. in St. Mary's Cathedral and it was suggested that a representative of the Airport Fire Department as well as Commissioners should attend.

Commission President Bernstein asked Mr. Heath to make arrangements for the Airport Fire Chief or his representative to attend. Mr. Bernstein said that he would try to attend.

* * *


Introduction of New Business by Commissioners

No new business was introduced.

* * *

Adjournment

The meeting was adjourned at 3:45 p.m.

A handwritten signature in dark ink, appearing to read "Eric Craven". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eric Craven
Secretary to the
Airports Commission

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MINUTES

JULY 18, 1978

GEORGE R. MOSCONE, MAYOR

COMMISSIONERS

RUTH S. KADISH
President

MORRIS BERNSTEIN
Vice-President

WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING

July 18, 1978

Call to Order: 2:30 p.m.

Roll Call:

Present: Commissioners Morris Bernstein,
Ruth S. Kadish, William E.
McDonnell, William K. Coblentz,*
Zuretti L. Goosby*.

Absent: None

Pledge of Allegiance: Led by Commissioner Kadish.

Minutes: None

Special Item: FAA Bay TRACON Presentation on
Flight Routes in the Bay Area
Associated with Flight Operations
at San Francisco International
Airport.

Mr. Richard Heath, Director of Airports, said that the Commission had asked the FAA to give this presentation on FAA Bay TRACON, which regulates and governs all the flights in the Bay Area. He turned the floor over to Mr. Jerry Luce of FAA, who, in turn, asked Mr. Edward Arri to make the presentation. Mr. Arri told the audience that 'TRACON' means Terminal Radar Approach Control and that Bay TRACON's function is to provide control on the approach of aircraft to the Airport. He pointed out the various routes aircraft use when arriving and departing.

A member of the audience, Ms. Lucy Cannorozzi, brought up the subject of the Portola route, which she said was the busiest route. She said that this route was established for noise abatement purposes of San Bruno and San Francisco in 1969 when the area was sparsely populated. She wondered why something hadn't been done in recent years to correct the route so that the people in the Glen Park area could have some noise relief.

Mr. Arri said that the FAA had looked at it and the current route is over a less populated area than the 1969 route: the top of San Bruno Mountain and the Brisbane area.

He said that sometimes when the tail of an aircraft points in Ms. Cannorozzi's direction, she would hear noise, even though it might be 3 or 4 miles away.

Ms. Cannorozzi said that at least 80% of the planes coming into the Airport are not in compliance with noise standards.

Mr. Heath said that that was not correct. He said that aircraft flying today are not yet in compliance with the noise standards of 1981, 1983 or 1985, but that they will be when those dates arrive. He said that the Airport had adopted specific regulations requiring all airlines to meet those compliance dates; the Airport wants those dates met regardless of what Congress says. He said that the FAR 36 requirements are

*Commissioners Coblentz and Goosby arrived at 2:34 p.m.

time-phased requirements and that when 1985 comes, 100% of the planes will have to meet FAR 36 compliance.

Commissioner Kadish welcomed Ms. Cannorozzi to the meeting and requested that she be sent a copy of the Noise Regulation.

Mr. Arri said that there are about 150 to 175 flights each day into the Bay Area. Mr. Arri then discussed arrival flights and pointed out the routes on the chart.

Mr. David Lilly, representing San Francisco Tomorrow, asked if the FAA put out a public notice when a route is changed.

Mr. Arri said that discussions are held.

Mr. Lilly asked him if it was discussed with the pilots.

Mr. Arri said that discussions were held with airline flight management.

Mr. Lilly said that he felt the public should be involved with these discussions.

Mr. Heath said that the control of aircraft in flight is not under the jurisdiction of the Airports Commission but is a matter between the pilot and the FAA. He said that aircraft did not always fly precisely as indicated on the maps. He said that from the maps he thought one could begin to see the complexity of organizing arrivals and departures to and from San Francisco, San Jose and Oakland airport.

* * *

- (1) Supplemental Appropriation, \$1,250,000.00,
Airport Fire Station No. 1.

On motion of Commissioner McDonnell, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

No. 78-0183

Resolution requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the amount of \$1,250,000.00 to provide funds for construction of a new Fire Station No. 1 and related engineering and inspection services.

Mr. Heath said that this project has been added to the Capital Improvement Program. He said the Airport had felt that they would have some time to get it completed, but now it must be addressed at once because of a recent investigation by OSHA. He said that they had found so many safety problems that it would cost \$250,000 just to correct the violations and it made better sense to replace the structure. He said that the Airport had to ask for a supplemental appropriation for this particular project.

Commissioner McDonnell asked Mr. Heath if he felt any of the currently scheduled projects would have to be set aside.

Mr. Heath said that the Airport would generate sufficient income to fund this project as well as all projects previously approved by the Commission.

Commissioner Goosby said that there is no indication as to whether this was going out for bid.

Mr. Heath said that the first step is for the Commission to approve this, then a bid call would have to be authorized and bids taken.

Commissioner Goosby asked if the bid documents would contain the Human Rights Commission's affirmative action requirements.

Mr. Heath said that they would.

Commissioner Goosby asked if the Federally supported projects coming out of Mr. Lee's office were policed by the Human Rights Commission.

Mr. Robert Lee, Deputy Director, Planning/Engineering, answered that they were.

Commissioner Kadish said that she thinks it should be noted that it is the commitment and aim of this Commission to achieve significant and not merely token participation on the part of minorities. She said that this relates not only to the building phase, but to the architects and the mechanical and electrical engineers also. She said that just because the Airport is required by the Human Rights Commission to achieve a certain degree of minority hiring, that does not mean that the Airport could not achieve even higher goals.

Mr. Heath said that the staff would like some direction from the Commission as to how to move regarding selection of architects on this project.

Commissioner Kadish said that she remembered how impressed all the people were who interviewed architects about the Central and South Terminal projects. She said that there was a feeling that those interviewed might be a talent bank of architects to call on in the future. She said that the issue of which firms to hire should be considered in the future.

Commissioner McDonnell asked if all the plans and equipment for the Fire Department had been approved.

Mr. Heath said that plans are not far enough along to consider specific equipment but as preliminary plans are completed, specifics would be considered.

* * *

- 2) Supplemental Appropriation, \$142,067.40,
Court Ordered Retroactive Pay.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

No. 78-0184

Resolution requesting the Mayor to recommend to the Board of Supervisors a supplemental appropriation in the amount of \$142,067.40 to cover the cost of retroactive pay for fiscal year 1974-75 for certain craft employees pursuant to the decision of the State Supreme Court in the Killiam vs. City and County of San Francisco law suit.

Mr. Heath said that the court had ordered pay for certain crafts.

* * *

) Bid Call for Airport Contract No. 1141, Installation of Fuel Reserve Tanks, Central Heating and Cooling Plant.

On motion of Commissioner McDonnell seconded by Commissioner Kadish, the following resolution was unanimously adopted:

No. 78-0185

Resolution approving the final plans and specifications and authorizing the Director of Airports to call for bids for Airport Contract No. 1141, Installation of Fuel Reserve Tanks for the Central Heating and Cooling Plant.

Mr. Heath said that two fuel reserve tanks would be installed to hold fuel to supplement the Airport's emergency reserve. He said that this was needed because of anticipated curtailment of natural gas in the future.

Commissioner Goosby asked if this project has been let to a contractor.

Mr. Heath explained that the staff is asking for the Commission's approval to go to bid on the project.

Commissioner Goosby asked about the number of bids usually received for any given contract.

Mr. Heath said that there have been as few as one and as many as eight or nine. He said that he estimated the Airport would receive six to eight bids on this project.

* * *

) Resolution Authorizing Sale of Former Downtown Heliport Structure.

On motion of Commissioner Coblenz, seconded by Commissioner Kadish, the following resolution was placed before the Commission for discussion; subsequent to the discussion, the item was removed from the calendar:

This resolution requests and authorizes the City's Director of Property to complete the sale of a 1446 square feet wood frame structure to the Golden Gate Bridge and Highway Transportation District at a price of \$135,000 less accumulated rental credit in the amount of \$23,750.00 as of June 30, 1978, in accord with a previous contractual agreement made in 1970.

Eric Craven, the Commission Secretary, called attention to a typographical error in which the accumulated rental credit should have been \$23,750.00, not \$24,750.

Mr. Heath asked that one of his staff members, Matt Ashe, Principal Right of Way Agent, to give a report on how this matter developed.

Mr. Ashe told the history of the Heliport.

Commissioner Kadish asked why the Bridge District would want to purchase this building.

Mr. Ashe said that they wanted to use it for storage.

Commissioner Kadish asked if the Airport was obligated to get off the land.

Mr. Ashe said that there was no immediate need although the Airport could be asked to move on thirty days notice.

Commissioner Goosby asked if the Airport had to accept the offer.

Mr. Ashe said that if the Airport did not sell, then the Airport would continue to own it. He said that the Airport would have to offer a price that the Bridge District could accept or reject, at which time the Airport could do with it what the Airport wished. He said that it was on Port Authority Land and the Airport could be given notice to leave and remove our building from the site.

Commissioner Goosby said that he was concerned with the traffic problem at the Airport. He said that at the last meeting the Airport had hired a consultant to do a traffic study and look at the value of using bus or car pools. He asked if the staff had looked at the heliport building as a possible site for collecting people from Marin County, hotels, etc. He said that he viewed the site as potentially valuable from that point of view. He said that he would like more information on such an important piece of property before relinquishing it.

Mr. Heath said that the staff had not evaluated the site from that perspective but that use of the land for a collection point would have to be approved by the Port Commission. He said the staff could investigate the possibility and that no decision was necessary immediately. Mr. Heath said that Commissioner Goosby had touched on a big problem in downtown San Francisco, the lack of an adequate transfer point. He said, though, that transportation problems are not under the direct control of the Airports Commission. In fact, he said that the Airport is specifically precluded from participating in ground transportation programs.

Commissioner Kadish said she thought it would be advisable to put the matter over and investigate the possibility raised by Dr. Goosby. Also, she said that the Airport should negotiate regarding the price, rather than have someone give us a price.

Commissioner Goosby asked if the restriction on the Airport regarding ground transportation was in the Charter.

Mr. Heath said that he believes the Charter says that the Airport shall not operate mass transit off-Airport.

Commissioner Bernstein said that it should be put off for two weeks.

Commissioner Kadish asked what the original cost of the building was.

Mr. Ashe said that it cost \$42,000, including site preparation.

* * *

Resolution approving Modification of FAA Lease No. DOT-FA75-WE-3331, Terminating the Use of Six (6) Fifth Floor Rooms in the Central Terminal Building.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

No. 78-0186

This resolution authorizes the Director to execute Supplemental Agreement No. 4 with the FAA to surrender Rooms 525, 526, 527 528, 529 and 534.

Mr. Heath said that the FAA will surrender six rooms which the Airport plans to use for its legal staff.

* * *

Airport Contract No. 650C, Modification No. 38 (Debit), Completion of North Terminal Building, \$105,448.00.

On motion of Commissioner Coblentz, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

No. 78-0187

Resolution approving and requesting the Controller's certification of Debit Modification No. 38 to Airport Contract No. 650C, in the total amount of \$105,448.00, for providing additional supervision, zoning and reprogramming of the fire alarm system.

Mr. Heath stated that this is a set of modifications of the North Terminal to take care of various mechanical and electrical jobs at the cost of \$105,000.

Commissioner Goosby stated that this is a \$100,000 modification which, because it is so large, is an item that construction management should take a hard look at. He said that with new construction one should be able to know what needs to be built. He said that often with remodeling jobs there are a lot of changes because one never knew the condition of a building until it had been opened up but he said that he was surprised that there are this many modifications to new construction.

Commissioner Bernstein said that he wanted to know the cost of fire alarms, the machines, etc.; he said that he felt someone was at fault here.

Mr. Blackford of Airport Architects, said this is actually an improvement in the design. He said that in the original plans, the building was divided into four sections. And, he said that the Terminal building has four floors. He said that in the original design it was not possible to know on which floor a fire had broken out, only which of the four sections in which it had broken out.

Commissioner Bernstein said that that was just what he meant.

Mr. Grindheim of Construction Management Consultants, said this had started before the plans and space went out. He said that the Fire Department had requested changes and that he had been negotiating with the Fire Department for over 1½ years to get this acceptable to the Fire Marshal.

Commissioner Bernstein asked if this item was included in the original bid.

Mr. Blackford said that it was not.

Commissioner Bernstein asked why it was not included.

Mr. Blackford asked Mr. Tony Valitis of his staff to explain the situation as Mr. Valitis had been following it. Mr. Valitis said that the system had been designed according to the building code and these changes were brought up before the North Terminal was to go to bid. He said that it was suggested it would cost \$500,000 to revise the design. He said that the fire protection in the original plans was adequate according to the building code.

Chief Bernardi of the San Francisco Fire Department said that he had made six concessions on this building. He said that his decision was that if the Airport would have a good fire alarm system, he could make a concession and say that although the building was not built to building code specifications, it was safe.

Commissioner Kadish said that it would not have been possible to have those plans passed if it was not according to Code, but her understanding was that these modifications were over and beyond what the code required.

Chief Bernardi said the Fire Marshal is not in a position of being able to operate as he would in the City of San Francisco. He said that for instance, the Fire Code says that there shall be no openings between floors. Chief Bernardi said that that was nearly impossible in our airport because it would make baggage movement by conveyor impossible. So, he said that in return for allowing openings, he obtained a concession for a more sophisticated fire alarm system.

Commissioner Bernstein asked if when the plans were submitted to Chief Bernardi, hadn't he informed the designer that they needed a more complex fire alarm system. Commissioner Bernstein said that the bid should have included the cost of the more expensive system.

Commissioner Kadish said that perhaps this can be a learning experience so that there is more finely honed coordination in the future.

Mr. Heath said that there is another factor that had to be taken into consideration: if everyone had waited for every detail to be decided, it would have taken at least two years before construction could have begun and consequently cost twelve million dollars more. He said that the decision was made to go ahead and modify it later.

Commissioner Bernstein said that when you are discussing something with modifications of over \$105,000, it seems quite excessive.

Commissioner Goosby said that modifications allow the contractors to grab a piece of the action without going to bid. He said that if it was in the original bid you would have at least 10 contractors trying to do it cheaper and in that way, the City would come out ahead.

* * *

Airport Contract No. 925, North Terminal Aprons and Reconstruction of Taxiways "S" and "SS", Modification No. 10 (Debit) \$45,772.50.

On motion of Commissioner Kadish, seconded by Commissioner Coblentz, the following resolution was unanimously adopted:

No. 78-0188

Resolution approving modification No. 10 and requesting Controller's certification of debit modification No. 10 in the amount of \$45,772.50.

Mr. Heath said that this is a modification of the contract for the construction of taxiways.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolutions were unanimously adopted:

United Airlines Maintenance Operations Center,
Revise Fire Protection System for Docks 6 and 7, \$170,000.

No. 78-0189

Resolution approving the final plans and specifications submitted by United Airlines showing revisions to the fire protection system in Docks 6 and 7 at the Maintenance Operations Center.

Tenant Improvement: U.S. Postal Service, Airport Mail Facility, Sidewalk and Parking Lot Modifications, \$30,000.00.

No. 78-0190

Resolution approving the final plans and specifications submitted by the U.S. Postal Service, showing revisions to the sidewalks and parking areas at the Airport Mail Facility.

Mr. Heath said that these are both tenant improvements which would be done at the sole expense of tenant without rental credit.

* * *

Professional Service Agreement, Heidrick & Struggles.

On motion of Commissioner McDonnell, seconded by Commissioner Coblentz, the following resolution was unanimously adopted:

No. 78-0191

Resolution approving a professional services contract with Heidrick and Struggles, Inc., for an amount not to exceed \$17,500.00.

Mr. Heath said that this agreement is for professional services required in the search for and selection of management personnel.

Mr. David Lilly of San Francisco Tomorrow said that this contract was essentially for a firm to go head hunting and he wanted to know what position they would be trying to fill.

Mr. Heath said that some members of top management had given him indications that they would be leaving, but the specifics were personal.

* * *

Proposed Resolution Authorizing Intervention in California/Florida Low Fare Case.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was adopted 4 ayes (Bernstein, Kadish, McDonnell, Coblentz) 1 excused from voting (Goosby):

No. 78-0191A

Resolution authorizing Commissioner Zuretti I. Goosby to be excused by a majority of the Commission from voting on Resolution No. 78-0192.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was adopted 4 ayes (Bernstein, Kadish, McDonnell, Coblentz) 1 excused from voting (Goosby):

No. 78-0192

Resolution authorizing the Director of Airports to intervene and fully participate in the California-Florida Lw Fare Case, Docket No. 31976, as indicated by CAB Order No. 78-5-68.

Mr. Heath said that this will allow the Commission to file a pleading in the Miami-Florida Low Fare Case should it become desirable to do so.

Commissioner Goosby said that he understands an effort is being made to compile all the Commissions' policies.

Mr. Heath said that the effort was being made through the book of rules and regulations soon to be approved.

Commissioner Goosby said that he did not see any back-up material and that he did not understand what the issue was all about. He said that he would abstain on this because there was not enough information on which to base a decision.

David Lilly said that participation in this case will solicit more flights into San Francisco Airport and that more flights do not serve the public interest.

Commissioner Coblentz said that he would like to respond to that comment that lower fares are in the public interest.

Mr. Heath said that the newer aircraft are quieter, more fuel-efficient, and due to their size, have brought prices down.

Commissioner McDonnell said that one of the reasons the Airport should get involved with this case is so that the Airport has the possibility of getting all the information about the case and having an opportunity to be heard in the future time if the Airport wants to be heard. He said that at this time the Commission does not have a specific policy.

Commissioner Kadish said that the Commission approving this resolution does not mean that we are asking for additional traffic into San Francisco.

Mr. Heath noted additionally, that once a carrier gets route rights into the Bay Area, the Airport has no control as to how many flights they fly a week.

* * *

) Final Approval of Professional Services Agreements, \$2,267,190.00, Modernization & Replacement Phase of the Airport Expansion Program.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

No. 78-0192A

Deletion of the Willis and Associates contract from Resolution No. 78-0193.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution, as amended, was adopted 4 ayes (Bernstein, Kadish, McDonnell, Coblentz), 1 nay (Goosby):

No. 78-0193

On June 6, 1978, Commission approved, in principle, the proposed professional services agreement of five architectural and engineering firms to provide professional services on specific projects in the Modernization and Replacement Phase of the Airport Expansion Program.

Mr. Heath said that the Commission had approved these in principle and that there had been token changes made in the contracts.

Commissioner Coblentz noted that the Willis consultants were charging more than the other consultants for comparable work and wondered why this was the case. He then asked for a representative from Willis to speak. None was present.

Commissioner McDonnell said that the work of Mr. Johnson of Gensler and Associates will follow the guidelines set by Willis and Associates.

Commissioner Kadish asked if it was the architects' feeling that Willis' work would be an addition to the Title 24 Federal energy planning requirements.

Mr. Len Blackford said that he believed Willis' intent is to develop Title 24 to particularly relate to the problems of the airport. He said that he does not plan to wait for Willis to come up with energy requirements; he would use Title 24 until Willis does come up with their guidelines, and as Willis' requirements will go beyond Title 24's, when Willis does submit theirs, he will revise up to them.

Commissioner McDonnell asked how Willis and Associates were chosen.

Mr. Heath said that there was a competition with three finalists and from their presentations, Willis and Associates was chosen to be recommended to the Commission.

Commissioner McDonnell asked what the Airport paid for the solar study by Interactive Resources.

Mr. Heath said about \$30,000.

Commissioner McDonnell asked if Willis and Associates would be using this study.

Mr. Heath said that she would certainly look at it.

Commissioner McDonnell asked if the study would be of any help to Willis.

Mr. Heath said that it would be.

Mr. Heath said that the Interactive Resources report centered on two questions: was solar feasible and what energy savings practices could be instituted in the present building. He said that these were complementary but different areas from those that Willis would be considering.

Mr. Robert Lee said the rates had been reviewed by Howard Friedman and found to be acceptable.

Commissioner Coblenz said that he could have to object to this one contract with Willis and Associates.

Commissioner McDonnell said that he, too, had similar questions. He asked how Anshen and Allen and Gensler and Associates arrived at their fees.

Mr. Heath said that these two architects indicated that they preferred to work on a fixed fee basis. He said that the staff had not arrived at a fixed fee for the entire job because the program was not definite enough to make an estimate; consequently the staff broke out the schematic design portion of the contract. He said that at the completion of that portion a new contract would be entered into.

Gordon Johnson of Gensler and Associates said that they were working on the Central Terminal renovation and they had a problem with determining what shape the Terminal is in because of the unknown structural conditions. He said that his firm would do the schematic phase to determine what it will cost for refinements beyond the structural. He said that they estimate that it will cost approximately \$175,000 for a 4 month period. He noted that they will be paid by the hour.

Commissioner McDonnell said that many of the architects had said that their staffs could handle all the designing for energy, yet the Airport was hiring Willis to do the overall energy planning. He asked how the architectural firms were planning to work with Willis. He asked if they were going to wait until they get some information from Willis.

Mr. Johnson said that his firm's work does not concern energy but basic structural problems such as what could be done to make the Central Terminal stand up in an earthquake. Mr. Johnson said that Willis would be coming up with an overall energy program in approximately two months.

Commissioner McDonnell questioned the lack of a Terms of Agreement Section page 3 of the Anshen and Allen contract. He said that he couldn't find them in the contract as written.

Commissioner McDonnell asked if the Anshen and Allen contract would cover inspection, and if that was included in the fee.

Mr. Johnson said that it would be and that it was included in the fee.

Commissioner Kadish said that she had raised questions about this when the issue was discussed last month and Commissioner McDonnell asked that she meet with the staff, which she had done. She said that one of the conclusions she and the staff came to was that the contracts for Gensler and Anshen & Allen would include just the schematic phase and supervision of construction would be included in the next contract.

Commissioner McDonnell said that he wanted to ask Anshen & Allen the same questions.

Mr. Lee said that it was his belief that Anshen and Allen felt the same as Gensler and Associates.

Commissioner McDonnell said that if Anshen and Allen weren't present, he did not want to vote for their contract.

Commissioner McDonnell said that he wanted to ask San Francisco Airport Architects if inspection is included in their contract.

Mr. Len Blackford said that his firm had agreed on a fee that includes construction inspection.

Commissioner McDonnell asked if Airport Architects are now inspecting.

Mr. Blackford said they were doing inspection work but not detailed, 'clerk of the work' inspection work.

Commissioner McDonnell said that it was still to be determined who would do some of the inspection.

Mr. Heath said that that was correct. He said that Mr. Blackford was trying to differentiate between the two types of inspection, the architect's inspection and the regular inspection.

Commissioner McDonnell asked how Geotechnical Associates were chosen and were they currently doing work for the Airport.

Mr. Lee said that they were chosen by a panel and they were not now doing work for the Airport.

Commissioner McDonnell asked if the Airport had another contractor.

Mr. Lee said that the Airport currently had Dames and Moore.

Commissioner McDonnell said that years ago there was another firm that had done soil analysis and that one of the things that had some merit was to try to stay with the same firm. He asked if the current firm was not doing a good job.

Mr. Lee said that the firm chosen would know how to do a good job; they would have the use of all prior reports and records.

Commissioner Kadish asked if the firm who had done the previous work applied.

Mr. Lee said that they had. He said that the Airport had used every major soil engineering firm in the area.

Commissioner Coblentz said that he felt very strongly about spreading the work out to many firms. He said that it was his hope that the Airport would spread the work among other architects. He said that it was his understanding that staff had interviewed these firms and they felt this one was well qualified to do the work. He added he would like to delete Willis & Associates from the resolution.

Commissioner Kadish seconded the motion but asked for legal advice.

She said that she recalled that the total amount specified was in the resolution passed in principle last month and she wondered if the Commission could delete it at this point.

Mr. David Kroopnick, Deputy City Attorney, stated that the agreements were approved in principle last month, but had been revised to such an extent that he didn't think the prior agreements were binding.

Commissioner McDonnell agreed that the Airport should spread work around. He said that when the Airport started remodeling and rebuilding the garage, it had advice that the soil engineering was not the greatest. He said that there had been a change in the company and the death of one of the principals. He said that the Airport wanted to make sure it stayed with a good firm so that the Airport could, if necessary, go back to the firm and get hold of them if there was a problem in the future.

Mr. Lee said that he had investigated the background of the principals of this particular firm and found that they have all served their apprenticeships with major firms. He said that the new firm's principals are thoroughly familiar with conditions at the Airport.

Commissioner Goosby asked if he correctly understood that the figure of \$577,000 on page 9 of the San Francisco Airport Architects contract is the total fee for their services.

Mr. Heath said that that was correct.

Commissioner Goosby asked if that fee was based on 5½% of the estimated construction budget.

Mr. Heath said that that was correct.

Commissioner Goosby said that by approving this we are committing ourselves to assigning this architectural firm to do the work and after the preliminary work, of hiring them. He said that he would like to see the affirmative action program in progress every time this Commission has to vote. He said that he has not seen evidence of any affirmative action program on these agreements.

Mr. Wilson Chang of ASIAN, Inc. addressed the Commission. He said that he has been working with the Airports Director and staff for some time. He said that the work under consideration today represents about 76% of the work that will be contracted out with a total construction cost of approximately \$90 million. He said that Asian architects are not getting a large enough opportunity to benefit from these projects. He asked that the Commission review these considerations before passage of the item.

Commissioner Coblenz said that the projects have the approval of the Human Rights Commission and that all the firms have representatives from minority groups. He said that the Airport will continue to try to give work to all minority groups.

Commissioner Kadish said that earlier she had made a clear commitment in favor of employment of minorities in all professional fields. She said that it was her clear intent that it was not to be token involvement. She said that she had had a conversation with the President of ASIAN, Inc. today and she had no indication that there was to be any statement by ASIAN, Inc. regarding the Airport. She said that she was at the interview from which architects were selected and one of the participants in these interviews was someone from

the Human Rights Commission who gave every person there an evaluation of all the architects involved. She said that all the firms received the highest level of approval from the Human Rights Commission.

Mr. Heath added he has been working closely with Mr. Chang. He said that there are small Asian and other minority engineers and architects who do have the capability to deal with large projects. He said that the Airport has been working with them to establish opportunities. He said that the current action of the Commission does not in any way indicate that he would not continue to work with them. He said that he would be working on future contracts and construction.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolutions were unanimously approved:

Airport Contract No. 950, Modification No. 29 (Debit) Ratifying Action of Director of Airports on Change Orders Boarding Areas H & I and Connector, \$16,790.00.

No. 78-0194

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders 40 and 41, and requesting the Controller's certification of Modification No. 29 to Airport Contract 950, in the total amount of \$16,790.00.

Airport Contract No. 1006, Modification No. 1 (Debit), North Terminal Complex - Graphics, \$24,930.30.

No. 78-0195

Resolution approving and requesting the Controller's certification of Debit Modification No. 1 to Airport Contract No. 1006, North Terminal Complex - Graphics, in the total amount of \$24,930.00.

Airport Contract No. 1015, Modification No. 8 (Debit), Ratifying Action of Director of Airports on Change Orders, Garage: Stage V - Final Modifications, \$12,700.00.

No. 78-0196

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders 11 thru 16, and requesting the Controller's certification of Modification No. 8 to Airport Contract No. 1015, in the total amount of \$12,700.00.

Commissioner Goosby asked if QRS Corporation was the original contractor for Contract No. 1006 and was told that they were.

* * *

Director's Reports:

A. U. S. Customs.

Mr. Heath said that Customs has sent a letter to the Director and all airlines indicating that because of overwork and lack of facilities they will not approve the arrival of any additional international flights, with but a few exceptions. He said that staff will be working with airlines to see if there are interim measures that can be taken.

B. Oakland Service Case

Mr. Heath said that the Commission had authorized intervention and he wanted to report on what he thought the Airport's position should be. He said that he did not believe that the Airport should oppose the CAB action to open 15 routes into Oakland.

He said that he had asked every airline to give its assessment of the effect on traffic at San Francisco and Oakland; they were unanimous that it will not have any appreciable effect. He said that it would not achieve a more equitable distribution of flights. He said that a couple of airlines did feel it would involve increased service. Mr. Heath said that he believed the Airport should support the action insofar as it does increase Oakland service as indicated by market forces. He said that a number of carriers may utilize this not to expand its market, but to expand their routes, perhaps just to be able to say they cover the United States. He said that we should recommend that the CAB monitor this action to determine that it is serving the market need. He said that he expected that the flights into Oakland would be on smaller aircraft than others. He said that if the decision does not result in greatly increased Oakland flights, it can only indicate that the market is not sound and to require carriers to fly out of Oakland would not be economical.

Commissioner Goosby said that as he understood it, Mr. Heath was going to open it up and let the free market operate.

* * *

The calendar of regular business ended at 4:55 p.m.

* * *

Commissioner Bernstein said that because of possible pending litigation, the Commission would go into executive session.



Eric Craven
Secretary to the
Airports Commission

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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

AUGUST 1, 1978

GEORGE R. MOSCONE, MAYOR

COMMISSIONERS

RUTH S. KADISH
President

MORRIS BERNSTEIN
Vice-President

WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

**San Francisco International Airport
San Francisco, California 94128**

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING

August 1, 1978

Call to Order: 2:30 p.m.

Roll Call:

Present: Commissioners Ruth S. Kadish,
William K. Coblentz; Z. L. Goosby.

Absent: Commissioners Morris Bernstein,
William E. McDonnell.

Oath of Allegiance: Led by Commissioner Goosby.

Approval of Minutes:

The Minutes of the Airports Commission meetings of May 1, 1978
and June 6, 1978, were approved.

Calendar Items:

- 1) Final Approval of Professional Services Agreement -
\$25,000.00 - Willis and Associates, Inc.

On motion of Commissioner Coblentz, seconded by Commissioner
Goosby, the following resolution was unanimously adopted:

No. 78-0197 Final agreement between Willis &
Associates, Inc. and City to pro-
vide professional services for the
preparation of an energy design
criteria manual, and advisory and
evaluation services for all pro-
jects under design in the Moderni-
zation & Replacement Phase of the
approved Expansion Program.

* * *

- 2) Request for Supplemental Appropriation, \$140,004.00

On motion of Commissioner Coblentz, seconded by Commissioner
Goosby, the following resolution was unanimously adopted:

No. 78-0198 Resolution requesting the Mayor to
recommend to the Board of Super-
visors a supplemental appropriation
in the amount of \$140,004.00 to cover
increased cost of personnel, equip-
ment, materials and supplies, and
terminal improvements.

* * *

)

Resolution approving final payment for the period ending June 30, 1978 and authorizing the Director of Airports to renew the agreement with the San Francisco Safety Council for the period ending June 30, 1979.

* * *

)

Modification to contract with John
F. Brown Company, \$10,000.00.

* * *

)

Resolution awarding Airport Contract No. 1176, Emergency Airfield Pavement Repairs to the Lowrie Paving Company, Inc., 1320 Lowrie Avenue, South San Francisco, CA 94080, in the amount of \$63,290.00.

* * *

)

Resolution approving and requesting the Controller's certification of Debit Modification No. 40 to Airport Contract No. 650C, in the total amount of \$137,190.00, for providing telephone services, power circuiting, stub-ups, ductwork provisions to provide services to work installed under Contract 650D, Interior Design Elements.

- (7) Airport Contract No. 1000, Modification No. 30 (Credit),
Garage: Stage IV - Superstructure Addition, \$132,254.00.

No. 78-0203

Resolution approving and requesting the Controller's certification of Credit Modification No. 30 to Airport Contract No. 1000, in the total amount of \$132,254.00.

* * *

- (8) Airport Contract No. 1000, Modification No. 31 (Debit),
Garage: Stage IV - Superstructure Addition, \$36,268.00.

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

No. 78-0204

Resolution approving and requesting the Controller's certification of Debit Modification No. 31 to Airport Contract No. 1000, in the amount of \$36,268.00.

Commissioner Coblentz said that he assumed the Airport was going to take appropriate legal action against the contractor.

Mr. Heath explained that this was a dispute between the contractor and the subcontractor. He said that the Airport had to get the work done and then take the necessary legal action to be reimbursed.

* * *

- (9) Airport Contract No. 1006, North Terminal Complex - Graphics, Modification No. 2 (Extension of Time).

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

No. 78-0205

Resolution approving and requesting the Controller's certification of Modification No. 2 to Airport Contract No. 1006, North Terminal Complex - Graphics.

* * *

- (10) Tenant Improvement - Delta Airlines,
Plot 7S - Install Paint Spray Booth, \$57,000.00.

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

No. 78-0206

Resolution approving the final plans and specifications submitted by Delta Airlines showing the installation of a commercially manufactured paint spray booth within their sublease area of the Qantas Hangar at Plot 7S to provide proper facilities for repairing ground support equipment presently being painted in the open.

* * *

Mr. Heath suggested that the next four agenda items (11-14) be discussed, but no action taken except regarding what space will be offered ABC Cigar. He said that some concessionaires were present who would like to comment on the matter before the Commission.

- 1) Authorization of the Process of Issuing Concession Leases in the North Terminal.
- 2) Resolution Allocating Space in Boarding Area F to Host International.
- 3) Resolutions Approving Conceptual Allocation of North Terminal Retail Space.
 - a. Newsstand/Book Shop and Wine/Cheese Shop
 - b. Mobile Flower Carts
 - c. Barbershop and Gift Shop

- 4) Resolution Allocating Additional North Terminal Space to Host International.

Mr. Pete Singer, Deputy Director, Business and Finance, handed out material (which is attached and included by reference).

Commissioner Goosby said that regarding item (11), authorization is requested for four kinds of principals to be used in issuing leases. He said that it would be appropriate that all applicants adhere to affirmative action guidelines so that a low bidder would not necessarily be considered if he did not adhere to the affirmative action guidelines. He felt that this should be spelled out and not be inferred or assumed.

Commissioner Goosby asked if under the public notice procedure there would be an effort to contact black, Latino and Chinese weekly press. He said that he believes that this is a method for the Airport to prove its sincerity in affirmative action matters.

Mr. Singer said that he would think in terms of advertising in various media which would specifically address these specific communities.

Commissioner Goosby called attention to item (11) page three regarding the selection process. He said that there is no mention of the involvement of the Human Rights Commission.

Commissioner Goosby asked if the staff had considered adding one or two community people who are familiar with each field. He said that the Airport should have 3 or 5 in-house people considering applications as well as people who have a background in each field.

Mr. Singer said that this would be a good suggestion to think about over the next week.

Commissioner Kadish asked Airports General Counsel Don Garibaldi, if he had any idea whether the original master lease had any reference to City ordinances and legal requirements of the federal government regarding the placement of minorities on concessionaires' work forces.

Mr. Garibaldi said that if they don't adhere to these laws, they would be breaking their leases.

Mr. Singer said that all leases have such provisions.

Mr. Garibaldi said that he would look into it. He said that the City Charter says the lowest responsible bidder, but the words "responsible bidder" give the City a degree of latitude.

Commissioner Kadish said that she believed the questions that Dr. Goosby had raised and the responses to them will be of importance in drafting the final principles and procedures documents.

Mr. Marshall Leahy of ABC Cigar Company addressed the Commission and noted that he is concerned with the location for his business suggested by the Airport staff. He said that ABC is the largest source of revenue from any concessionaire. He said that he was opposed to a cheese/wine concession and reminded the Commission that it had been tried in the past and failed. He presented written material to the Commission (which is attached hereto and included by reference).

Mr. Leonard Berger spoke on behalf of his client, the airport florist. He said that his client had been at the Airport since 1953. He stated that his client was opposed to Mr. Singer's idea of putting flower vending in carts. He said that one could not market flowers from a cart because they have to be refrigerated. He said that his client could not use carts and maintain a first-class facility, however, his client could use carts in conjunction with a fixed location.

Mr. Joe Dias, owner of the Airport Barber Shop, addressed the Commission. He said that he had been operating on the mezzanine floor for 24 years in the South Terminal but he had a problem with people locating him; he said that by the time people did locate him, it was time for their flight. He said that most of his customers are travelers and that he would like to be on the main floor.

Mr. David Ellis, representing Steve Hicks of Shaws Candy addressed the Commission. He said that he had recently learned that the current plan for the North Terminal totally eliminated candy. He said his client was opposed to this.

Commissioner Coblentz suggested that all matters be put over. He said that the items merit consideration by the entire Commission. He said that the Commission had to take into consideration not only income but service to people.

Commissioner Kadish agreed that that was the direction in which to go.

* * *

(16) Selection of Architect for Fire Rescue Station No. 1.

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

No. 78-0208

Selection of Architect for Fire
Rescue Station No. 1.

Mr. Heath said it was suggested that the Commission take a couple of weeks to consider this matter. He said that his recommendation would be that the Commission pick from among the six architects previously interviewed because the Commission knew their capabilities.

Commissioner Coblentz said that he went over the list and he agrees with the Director that the Commission had assigned four projects to four architects. He recommended that the next on the list, the firm of Wong and Brocchini, be appointed as the architect for the Fire Station. This was seconded by Commissioner Goosby.

Mr. Robert Wong, one of the architects under consideration, asked on what basis the selection was made.

Commissioner Coblentz said that this award was for this particular job. He said that among those that qualified was the firm of Wong and Brocchini, a firm that had done high quality work for the University of California. Commissioner Coblentz said that this decision was no reflection on him, Mr. Robert Wong, or any of the other architects.

Mr. Robert Lee said the original plan was that when this year's budget was approved the Airport would consider Mr. Robert Wong's firm to do the Engineering Building but as Mr. Robert Wong had designed seven fire stations, Mr. Lee thought that this would be a good project for him to do.

Commissioner Coblentz said the Commission had never been informed that there has been a withdrawal intent to have Robert Wong do the Engineering Building. He added that it is the Commission's desire to retain Mr. Robert Wong for the Engineering Building.

Commissioner Goosby said that he relied heavily on the experience of his fellow Commissioners on this decision. He said that if one uses the same architects that have built 5 airports, one will never have any new architects with experience.

Commissioner Goosby said that we should demand more joint ventures because everybody in the city had contributed to putting up the Airport and the Commission should see to it that some benefits accrues to all groups.

Commission Kadish said that because an architect is selected from this list for a particular job, it did not mean that architect would be precluded from other jobs.

* * *

Director's Report:

A. San Mateo County Presentation Regarding Request for Airport Funding of Planning Position.

Mr. David Hale of the San Mateo County Planning Department said that his department was requesting the Commission to consider funding a position for planning services. He said that Proposition 13 had caused a significant impact on San Mateo County government, which resulted in a severe cutback of his staff. He said that he was requesting the Commission to allocate \$25,000 as reimbursement for the work of the San Mateo Planning staff.

Commissioner Coblentz said that the Airport pays taxes to San Mateo County and that if the Commission paid the Planning Department \$25,000, it not only would cause a furor in San Francisco County, but would set a precedent. He said that San Francisco's Planning Department had requested funds and if the Airports Commission was against giving money to San Francisco, it would certainly ill-behoove it to give money to San Mateo County.

Mr. Hale said that the message would be transmitted to San Mateo County, and added that the responsibility for monitoring Airport activities would not be reduced, but that it would have been easier for San Mateo County to have had closer communications if the position had been funded.

* * *

3. Stationary Engineers.

The attached document is included by reference.

C. Van Pool Program - Management Report, Ground Transportation Task Force and RIDES, INC.

Put over to next Commission meeting.

* * *

A. Executive Session

There being no further calendared business, the meeting adjourned at 4:05 p.m. and the Commission went into executive session.

Eric Craven
Secretary to the Commission

AIRPORTS COMMISSION
CITY AND COUNTY OF SAN FRANCISCO
GEORGE R. MOSCONE, MAYOR

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128
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RICHARD R. HEATH
DIRECTOR OF AIRPORTS

MORRIS BERNSTEIN
PRESIDENT
RUTH S. KADISH
VICE-PRESIDENT
WILLIAM E. McDONNELL
WILLIAM K. COBLENTZ

M E M O R A N D U M

August 1, 1978

TO: MEMBERS, AIRPORTS COMMISSION
Hon. Morris Bernstein, President
Hon. Ruth S. Kadish, Vice President
Hon. William E. McDonnell
Hon. William K. Coblentz
Hon. Zuretti L. Goosby

FROM: J. Peter Singer

SUBJECT: Analysis of Concession Revenue

To assist in your deliberations regarding concession space, we have developed the attached analysis. This analysis indicates revenue per square foot and revenue per passenger for the present concessions in the Central Terminal (CT) and South Terminal (ST).

We are presently gathering some data from other airports which we hope will be comparable. As soon as that information is available, I will forward it to you.

J. P. Singer
Deputy Director of Airports
Business and Finance

Attachment

CONCESSION ANALYSIS

<u>Concession</u>	<u>Square Feet</u>	<u>Revenue</u>	<u>Revenue/Sq. Ft.</u>	<u>Revenue/Pass.</u>
Candy Shop	230 (CT) 726 (ST)	\$ 12,493 57,890	\$ 54.32 79.74	0.00104 0.00705
Flower Shop	413 (CT) 726 (ST)	35,463 22,396	85.87 30.85	0.00294 0.00272
Newstand	708 (CT) 881 (ST)	396,249 338,829	559.67 384.60	0.03291 0.04127
Gift Shop	1910 (CT) 587 (ST)	346,954 216,932	181.65 369.56	0.02882 0.02642
Barber Shop	659 (CT) 849 (ST)	5,469 2,924	8.30 3.44	0.00045 0.00036
Beauty Shop	680 (CT)	2,280	3.35	0.00019
Host	30,467 (CT) 12,991 (ST)	676,654 773,005	22.21 59.50	0.05620 0.09416

N.B. - Revenue and Passengers In and Out are of Calendar Year 1977.

A. B. C. CIGAR CO.

YEAR ENDING - JULY 1978

	SALES	RENT	%
August 1977	\$ 467,172	\$ 138,866	29.72
September	398,866	117,987	29.58
October	402,493	119,178	29.60
November	372,041	108,773	29.23
December	398,020	114,605	28.79
January 1978	375,480	108,517	28.90
February	324,177	96,627	29.80
March	394,510	115,628	29.30
April	393,324	115,915	29.47
May	417,528	123,394	29.55
June	467,588	137,605	29.42
July (Estimate)	501,207	147,355	29.40
TOTALS	\$4,912,406	\$1,444,450	29.40
Avg.	\$ 409,367	\$ 120,371	

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SALES - YEAR ENDING JULY 1978

	NEWSSTAND CENTRAL TERMINAL	CIGARETTE VENDING MACHINES	NEWSSTAND SOUTH TERMINAL	DRUG & SUNDRIES CENTRAL	GIFT SHOP CENTRAL	GIFT SHOP SOUTH	GROSS	SALES TAX	NET
August 1977	\$ 169,134	\$ 10,086	\$ 161,487	\$ 47,327	\$ 47,178	\$ 52,787	\$ 487,998	\$ 20,827	\$ 467,172
September	147,665	8,218	136,538	40,990	39,531	41,916	414,858	15,991	398,866
October	150,680	9,118	135,133	42,693	40,713	41,853	420,191	17,698	402,493
November	147,273	7,433	127,902	36,842	32,723	35,557	387,731	15,689	372,041
December	165,459	10,282	138,838	34,763	32,554	32,880	414,775	16,755	398,020
January 1978	154,496	7,249	129,217	34,594	30,684	32,803	389,043	13,563	375,480
February	134,226	6,514	107,575	32,140	29,047	28,795	338,297	14,120	324,177
March	157,375	6,976	130,791	40,991	36,445	38,326	410,906	16,396	394,510
April	151,459	8,593	128,529	41,145	39,876	38,157	407,759	14,435	393,324
May	158,419	6,311	142,704	43,842	39,083	45,009	435,368	17,840	417,528
June	175,469	9,960	161,643	47,112	44,670	48,943	487,797	20,209	467,588
July (Estimate)	189,193	8,000	174,283	50,796	48,163	52,772	523,207	22,000	501,207
TOTALS	\$1,900,848	\$ 98,740	\$1,674,640	\$493,235	\$460,667	\$489,798	\$5,117,930	\$205,524	\$4,912,406

8/1/78

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CITY AND COUNTY OF SAN FRANCISCO
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RICHARD R. HEATH
DIRECTOR OF AIRPORTS

M E M O R A N D U M

July 31, 1978

TO: MEMBERS, AIRPORTS COMMISSION
Hon. Morris Bernstein, President
Hon. Ruth S. Kadish, Vice President
Hon. William E. McDonnell
Hon. William K. Coblentz
Hon. Zuretti L. Goosby

FROM: J. Peter Singer

SUBJECT: Stationary Engineer Apprenticeship

Mr. Ray Sullivan of the Mayor's Budget and I have had a number of conversations regarding the initiation of an apprenticeship program at the Airport. The program would entail the addition of two permanent stationary engineer apprentices to our budget. This program is heartily endorsed by the City as a means of attracting young people, and particularly members of minority groups, into the stationary engineering field, and as a means of retaining these individuals in the employ of the City. The value of this program is exemplified by the high quality of the apprentice graduates. At this time, however, Mr. Sullivan advised us that the program faces a serious crisis in that the passage of Proposition 13 forces the elimination of two stationary engineering apprentices at DPW. He asked if we would consider the addition of one or two apprentices at the Airport to continue this valuable program.

The Airport has no current funds to add additional persons to our staff. Further, an apprentice program was not included in the request for funds for the operation of the North Terminal and Central Heating and Cooling Plant -- the supplemental appropriation for which is currently before the Mayor and the Board of Supervisors for consideration. In light of the current situation, however, we have reviewed our operations in an effort to assist the City to continue this obviously worthwhile program.

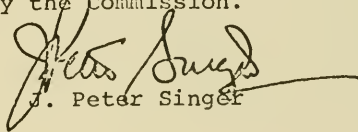
We have concluded that we are willing to accept the responsibility for two apprentice stationary engineers starting

July 31, 1978

August 1, 1978. We have asked the Mayor and the Board of Supervisors to recommend approval of the two (2) apprentice positions to be added to the Supplemental Appropriation for the North Terminal. These permanent positions would start on October 1, 1978. Since it is desired to start the program on August 1, 1978, the Airport will have to use funds otherwise budgeted and required. As a result, we have also asked the approval of an increase in our North Terminal budget to cover the cost of the apprentice program from August 1 through September 30, by which time the Supplemental Appropriation should have been acted upon by the Board of Supervisors.

It is understood and agreed that if final action on the North Terminal/Central Heating and Cooling Plant supplemental is not concluded by September 30, 1978 or if the recommended amounts are not approved by the Board, the apprentice positions will be terminated on September 30, 1978.

In your action regarding the North Terminal Supplemental Appropriation, the amount of \$11,550,752 was approved. This amount included the 1978-79 salary standardization which was subsequently rescinded by the Mayor as a result of the passage of Proposition 13. As a result, the addition of the two apprentice positions still leaves the amount of the supplemental below that which was passed by the Commission.


J. Peter Singer

A. B. C. CIGAR CO.

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SALES - YEAR ENDING JULY 1978

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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

August 15, 1978

GEORGE R. MOSCONE, MAYOR

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President

MORRIS BERNSTEIN

Vice-President

WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING

August 15, 1978

Call to Order:

The regular meeting of the Airports Commission was called to order at 2:33 p.m., in Room 282, City Hall, San Francisco.

* * *

Roll Call:

Present: Commissioners Morris Bernstein,
William E. McDonnell, William K.
Coblentz*, Zuretti L. Goosby.

Absent: Commissioner Ruth S. Kadish.

* * *

Oath of Allegiance: Led by Commissioner McDonnell.

* * *

Addition to Agenda.

Secretary to the Airports Commission, Eric Craven, made the announcement that there would be an additional item (23), at the end of the regular agenda and that immediately following the present order of business, there would be an Executive Session.

* * *

Special Item: Van Pool Program - Management Report, Ground Transportation Task Force and RIDES, Inc.

Director of Airports, Richard Heath, mentioned that the Van Pool Program present was being promoted at the Airport and introduced Matt Ashe, Chairman of the Ground Transportation Task Force, who briefly explained the Van Pool Program.

Charna Staten, Personnel Director and Director of Employee Service for RIDES (Rides for Bay Area Commuters), then gave the main details of RIDES to the Commission. She said that RIDES is a non-profit organization, funded by MTC, CalTrans and the State Energy Commission, for the

Arrived at 2:42 p.m., during the discussion of the Van Pool Program.

urpose of getting single drivers out of automobiles and into ride
aring programs.

e Commissioners expressed their support for the program.

* * *

alendar Items:

e following items were removed from the Calendar:

-) Authorization of the Process of Issuing Concession Leases in the North Terminal.
-) Resolution Allocating Space in Boarding Area F to Host International.
-) Resolution Approving Conceptual Allocation of North Terminal Retail Space.
-) Resolution Allocating Additional North Terminal Space to Host International.
-) Resolution Authorizing Advertising for Consideration of Proposals and Recommendations For Award: Hotel/Motel Advertising Facilities in North Terminal Building.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner McDonnell, the following resolutions were passed 3 ayes (Bernstein, McDonnell, Coblentz) to one nay (Goosby):

-) Resolution Offering A.B.C. Cigar Company the Right of First Refusal for the North Terminal Newsstand/Book Shop.

No. 78-0209

Under the Newsstand and Book Shop lease any area allocated for a newsstand and bookshop operation in the North Terminal Building must be offered to A.B.C. Cigar Company on a "right of first refusal" basis.

-) Resolution Offering A.B.C. Cigar Company the Right of First Refusal for the North Terminal Gift/Sundry Shop.

No. 78-0210

Under the Gift and Sundry Shop Lease any area allocated for a gift/sundry shop operation in the North Terminal Building must be offered to A.B.C. Cigar Company on a "right of first refusal" basis.

Mr. Heath explained the first resolution, Item (5), would give A.B.C. the right of first refusal for 600 square feet of space immediately to the right of the boarding area for a bookstore and newsstand. Mr. Heath siad that connected to that space, but further to the right was the area referred to in Item (6), 1000

square feet for a gift and sundry shop. He said that A.B.C. would also have the right of first refusal for this area.

Mr. Heath said that there had been many discussions with staff and representatives of A.B.C. regarding the terms of the existing lease and that there had been no agreement. However, Mr. Heath said that it seemed clear that they had the right of first refusal for these functions, and the staff should send a letter to A.B.C. stating that they would have five days in which to accept or reject the offer. He said that the existing two leases expire in September, 1979 and the Commission has the option, at its discretion, to renew those leases for five additional years.

Commissioner Coblentz asked about Item (3) concept for the allocation of North Terminal retail space.

Mr. Heath said that that was an alternative, a wine and cheese shop. He said that if Items (5) and (6), were approved, Item (3) would not be considered.

Mr. Heath went on to explain that another area, previously planned for a flower shop, candy store and barber shop, was now being considered for an additional food facility, an oyster bar. Mr. Heath said that his recommendation would be to approve Items (5) and (6) and offer A.B.C. the right of first refusal; give the space to the left of the "throat" for food service and ask Host to come in at the next meeting to present their concept of what they would do in that area and also for an area on the pier itself to be used as a Cappuchino Bar, a cafe-type operation.

Commissioner Bernstein said that he thought the space on the right should be for browsing in a newsstand, gift shop area. He said that the Commission should not be bound so that it couldn't reverse itself if dissatisfied with either A.B.C. or Host.

Mr. Heath said that there were clauses in the leases which prevented this.

Commissioner Bernstein replied that he disapproved of the type of leases in existence as they resulted in the public paying more than they should. He said that he also disapproved of the pricing policy.

Mr. Heath said that if A.B.C. exercises its right of first refusal, that space would be on the same terms and conditions as the existing leases, at least until September 1979, at which time the Commission could review its position. He said that if A.B.C. does not exercise its right of first refusal, the lease terms could be changed for future tenants.

Commissioner McDonnell asked what the area on the right side had been previously designated for.

Mr. Heath said that it had been designated in the planning for a gift shop.

Commissioner Bernstein voiced an objection to a wine and cheese shop in that location.

Commissioner McDonnell asked if a representative was present to speak for A.B.C.

Mr. Marshall Leahy, Secretary and General Counsel for A.B.C. spoke at some length, saying that A.B.C. was in favor of taking the space but it would cost \$100,000 in improvements to accept the right of first refusal and A.B.C. was concerned about the less than six months they would be able to operate before the Commission decided

on the option for extension. Mr. Leahy stated that he did not feel the City has the right to tie up extension of the A.B.C. lease. He suggested checking the invitations to bid and the bid form which clearly indicated that negotiations would take place with the existing tenant for the lease extension. He felt that it was incumbent on A.B.C. and Airport management to attempt to negotiate the lease extension at the end of the existing lease period if A.B.C. was to spend over \$100,000 to accept their right of first refusal.

Commissioner Coblentz questioned the lease language.

Mr. Leahy agreed that the language is rather odd and is subject to different interpretations.

Commissioner Bernstein said that A.B.C. could be assured that the negotiations would be in good faith and that A.B.C. probably never thought they would hear the City saying the percentages were too high, but the Commission felt that they were.

Commissioner Coblentz said that the items before the Commission were Items (5) and (6) and moved the question.

Commissioner Goosby said that A.B.C. had had the lease for fifteen years, and asked if Mr. Leahy was familiar with A.B.C.'s hiring practices, saying that he had been unable to get any figures on minority hiring from the Human Rights Commission or the Airport staff.

Mr. Leahy said that A.B.C. was unionized, and the employees came from the union. He said that if union people were not available, then they were hired elsewhere.

Commissioner Goosby said that it was necessary to get affirmative action figures before the lease was extended.

Mr. Leahy agreed to provide the figures.

Commissioner Goosby said there was a human rights clause in the lease, but he had not been able to get the figures and the evidence should be in hand. He further stated that there should be a staff person on hand to handle this information.

Commissioner McDonnell stated his understanding that A.B.C.'s present leases are up in September 1979, and if the right of first refusal is accepted for the area in the North Terminal, A.B.C. will build a facility that will not be in operation until February 1, giving them an operations period from February 1979 to September 1, 1979; and during that period, A.B.C. and the City are to negotiate for the first five-year option on the lease.

Mr. Leahy replied that there was a lease provision which stated that the lease must be negotiated and closed 120 days before the expiration of the present lease, putting the date back to May 1979.

Commissioner McDonnell said that considering the percentage A.B.C. paid the Airport, it is important to give full consideration to the extension.

Mr. Heath suggested that the Commission tentatively designate the area just left of the A.B.C. area and out on the pier for additional food service and ask Host to present their proposal at the next meeting: what type of food, service, prices, etc. He said that if the Commission agreed to Host's proposal, it would become a food area; if not, some other operations would be considered, such as a florist shop, candy shop or barber shop. He said that these three shops would have to be let on the basis of a competitive bid.

Airports General Counsel Donald Garibaldi agreed that this was a City Charter requirement.

Mr. Heath continued that the concessionaires' present leases were to the premises where the shops are now located, and they would not be offered the right of first refusal to additional space. He said that the new leases must be on a competitive bid basis.

Commissioner Bernstein asked if it would be necessary to have a new bid if the leases were up in the Central Terminal.

Mr. Heath replied that it would not.

Commissioner Bernstein asked if those leases could be renewed.

Mr. Heath said that he didn't know if that was possible.

Mr. Leonard Berger, the attorney representing the Airport Florist, said that the flower shop had been in business at the Airport for 20 years and the Flower Shop's experience caused them to believe the quality of flowers required necessitated retail store space. He said that it would be impossible to operate from mobile carts as previously proposed by Airport management.

Commissioner Coblentz said that the Commissioners had personally inspected the North Terminal, and he thought that the thrust of the resolutions currently before the Commission was to make a decision on the three shops. He said that if Host goes into the locations under discussion, it would be necessary to move the three shops to another location. Commissioner Coblentz felt that it was in the best interest of the public to have additional food outlets.

Commissioner McDonnell said that if action was taken at this meeting, the three shop owners would not be given an opportunity to speak.

Mr. Berger said that it was his understanding that this entire matter would be put over. He said that if the plan was to get this resolution approved at this meeting, he would like to make another point with respect to the flower shop: there was nothing in the nature of a food facility to serve the public that requires it to be in a certain location -- if it is a good facility, people will find it and buy; however, with respect to the flower shop, if you take it away from a prime location, you might as well take it away from the Airport altogether because flowers cannot be sold from carts. He said that the florist might do it because it would be cheaper, but it would be impossible to sell quality merchandise and quality flowers because they must be kept where there is refrigeration and where the flowers can be displayed properly.

Commissioner Bernstein said that every consideration would be given to the florist, as well as to the other shops. Mr. Berger replied that if this resolution is voted on today, that space will be allocated to a food facility.

Commissioner Coblentz said that consideration will be given to food service, subject to approval of the plans submitted by Host.

Commissioner McDonnell said that the concessionaires should have a chance to speak on their locations.

Commissioner Coblentz said that he assumed the Commission was going to vote at this meeting, but he was sure they would hear from them. However, he said that he wanted to present the Commission's views: they have each individually looked at the North Terminal, but they were willing to listen; the prime interest of the Commission is to serve the public. He said that contrary to Mr. Berger's remarks,

people will not go to another terminal to eat. He said that the Central Terminal is very congested: there will be seven to eight million people using the North Terminal and the currently planned facilities are not adequate. He said that, therefore, the Commission is looking for space which will give more food service to the public.

Commissioner Bernstein said that there was no question but that a newsstand, books, etc., were the correct facilities for that proposed location, but there must be other spaces suitable for the florist.

Commissioner Goosby asked about the manner of selling the flowers.

Mr. Berger replied that their experience was that people buy flowers to be delivered, not take-out, and that the flowers must be handled and stored properly in refrigerated areas.

Commissioner Goosby asked if the take-out flowers could be handled from a cart.

Mr. Berger replied that that was not possible.

Mr. Heath said that he hoped that no resolution would be passed at this meeting, only an indication of the intentions to designate those discussed areas as food service areas. He said that Host could make a presentation at the next meeting, and the Commission could either accept or reject the proposal at that time.

Commissioner Coblentz said that three eating facilities, plus a bar on the main floor, are needed.

Commissioner McDonnell suggested that the barber, florist and candy shops tell their story at another meeting and that in the interim, staff could discuss with them all possible other spaces. He said that these shops will go out to competitive bid and there will be other bidders; let them all have the opportunity to present their case and their alternative recommendations to the Commission.

Mr. Heath said this was an excellent suggestion and he would designate such an item on the next agenda.

Commissioner Coblentz said that it was very important that the staff and the tenants get together as this could be the economic ruin of these shops and it was necessary to do everything possible to help.

Commissioner Bernstein said that he wanted to be present at any such future meetings.

Commissioner Goosby said that the Airport consultant should also be present.

Commissioner McDonnell said that concerning the florist, a member of the staff had seen the floral carts in an airport elsewhere in the United States and suggested that the florist find out if they are feasible and if there is another place for refrigeration and storage.

Mr. Berger replied that it would be tried if necessary, but the florist didn't believe it was the way to sell flowers. He said that Denver and Miami had carts, but they would not be satisfactory for San Francisco Airport.

Mr. Berger asked if the Commission had committed all that space to the newsstand and gift shop, or could it be used for something else.

Commissioner Coblentz said that he thought it should be a newsstand and gift shop.

Commissioner McDonnell said that the newsstand and gift shop would need more space when enclosed in a room.

Mr. David Ellison, attorney representing the candy shop, said that they concurred that they should take time and discuss the matter with the staff. He said that he respected Mr. Kroopnick's judgment and what Mr. Heath had said, but disagreed that the candy shop did not have a right to be in the North Terminal. He said that the move to the North Terminal would relocate a significant amount of traffic and would decimate the business in the Central Terminal. He said that he hoped that fact would be taken to account.

Commissioner McDonnell said that he had always felt that there should be exclusive tenants throughout the Airport so tenants would not be concerned about the various moves of the airlines within any of the terminals.

Commissioner McDonnell asked Joe Dias, Airport Barber, if he wished to make a presentation.

Mr. Dias said that he preferred to wait until the next meeting when the candy shop and florist would make their presentations.

* * *

Corporate and General Aviation

On motion of Commissioner Coblentz, seconded by Commissioner McDonnell, the following resolution was discussed and subsequently taken off calendar:

Request that the Airports Commission adopt a policy that General Aviation will not be encouraged and there will be no expansion of General Aviation facilities at SFIA in the foreseeable future.

Mr. Heath said that this was a request for a policy decision on additional space which had been requested by Butler Aviation, and his recommendation was that the Commission go on record as opposing an expansion of general aviation as there was little space left and it was needed for other purposes.

Commissioner Goosby said that if the Commission approved this resolution, it would seem to be a plus for the Commission and staff, who are accused of building an empire; the Supervisors, etc., should be notified that the Commission is restricting Airport growth.

Paul Bartnek, General Manager of Butler Aviation at San Francisco Airport, spoke on behalf of the expansion. Mr. Bartnek said that over the years, general aviation traffic has increased 10-13 percent a year and that in the past three years, Butler has run out of space. He spoke of several meetings he had had with the previous Director and with Mr. Heath and with Mr. Singer regarding extra space and requested that the decision be deferred until Butler again has the opportunity to discuss the matter further with them.

Commissioners Coblentz and Goosby said that their prime interest is to take care of the public, not to discourage private aviation.

Mr. Bartnek continued, saying that there were 40 to 50 general aviation flights a day from which passengers are taken to connect with scheduled airlines or to return to their private plans. He asked if the current Land Use Study would affect this decision.

Mr. Heath said that there was no connection.

Mr. Heath said that he would be glad to meet with Mr. Bartnek again, but the Commission must decide if it is to be the policy to encourage or discourage general aviation. He said that Butler is not the only company requesting space; every acre has had many requests and that without a general policy, there is no way of knowing who to let the land to.

Commissioner McDonnell recalled briefly the history of general aviation, and mentioned that at one time it was suggested that general aviation should be moved off the Airport, but it was discovered that this could not be done. He asked if there was any legal problem with this resolution since the Airport cannot prohibit general aviation.

Mr. Heath replied that the Commission cannot prohibit general aviation from the Airport, but is not required to devote any specific amount of land to it. He agreed that the question was should the remaining available land be allocated to General Aviation?

Commissioner McDonnell withdrew his second and the item was taken off calendar.

* * *

) Resolution Authorizing Execution of Two Leases with FAA for Installation of Runway Identification Lights for Runways 1L and 10R.

On motion of Commissioner Goosby, seconded by Commissioner Coblentz, the following item was unanimously adopted:

No. 78-0212

This resolution authorizes the Director to execute two leases with the Federal Aviation Administration and two Advance Rights of Entry for Installation of air navigation aids known as REIL which will indicate the runway thresholds for 1 Left and 10 Right. The lease at no rental charge is on a year to year basis, and installation costs will be borne by the Government.

Mr. Heath explained that this approves the installation of strobe lights to assist the planes in landing.

Mr. David Lilly of San Francisco Tomorrow, said that strobe lights may have a significant impact on the surrounding communities and asked if the item could be put over, as it may require an EIR, or even an EIS since Federal funds are involved.

Mr. Heath said that the FAA and Airport staff have studied all possibilities; just because they are strobe lights doesn't mean there is any effect on the community; they are directional and a safety device only.

* * *

On motion of Commissioner Coblenz, seconded by Commissioner Goosby, the following items were unanimously adopted:

) Airport Contract No. 650D, Modification No. 1, North Terminal Interior Design Elements (Extension of Time).

No. 78-0213

Resolution approving and requesting the Controller's certification of Modification No. 1 to Airport Contract No. 650D, North Terminal Interior Design Elements.

) Airport Contract No. 980, Modification No. 1, North Terminal Complex - Carpeting (Extension of Time).

No. 78-0218

Resolution approving and requesting the Controller's certification of Modification No. 1 to Airport Contract No. 980, North Terminal.

This modification grants an 82 day time extension for the completion of all work under the contract at no cost to the City.

Mr. Heath said that these were extensions of time: 14 days on the first contract and 80 days on the second contract. He said that there would be no cost to the City and no delay in the February date of the North Terminal opening.

* * *

On motion of Commissioner Coblenz, seconded by Commissioner McDonnell, the following resolutions were unanimously adopted:

) Airport Contract No. 925, North Terminal Aprons and Reconstruction of Taxiways "S" and "SS", Modification No. 11 (Debit), \$31,750.00.

No. 78-0214

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders No. 925-18, No. 925-20 and No. 925-21, in accordance with Airports Commission Resolution No. 70-0044 and requesting Controller's certification of Debit Modification No. 11 in the amount of \$31,750. This modification involves renovation and relocation of a temporary guard shelter, provision of temporary electrical and telephone service for the guard shelter, and island removal and curb construction at the entrance to Air Cargo Building No. 7, all of which were necessary to provide temporary access for Airport tenants until the permanent guard shelter and cargo cart road become operational. The work also provides

cement treated base material and installation of an 8 foot chain link fence behind United Airlines Maintenance Base as temporary parking for United Airlines' employee vehicles.

Airport Contract No. 937R, Modification No. 5 (Debit), Industrial Wastewater Collection System - Phase I, \$2,755.00.

No. 78-0215

Resolution approving and ratifying the action of the Director of Airports in approving Change Order No. 937R-7 in accordance with Airports Commission Resolution No. 70-0044 and requesting Controller's certification of Debit Modification No. 5 in the amount of \$2,755.00.

This modification involves installation of 60 linear feet of 24" diameter Corrugated Metal Pipe to divert drainage water away from the edge of Taxiway "B" so that erosion of the shoulder embankment can be prevented.

Airport Contract No. 960, Modification No. 2 (Debit), Road Graphics, \$4,253.00.

No. 78-0216

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders No. 960-2 through No. 960-7 in accordance with Airports Commission Resolution No. 70-0044 and requesting Controller's certification of Debit Modification No. 2 in the amount of \$4,253.00.

The work consists of eliminating three "EMPLOYEE SHUTTLE" bus signs and adding one "Valet Parking" sign, reducing the width and depth of chipping of existing concrete topping for the Upper Level Roadway sign footings, modifying the method of post anchoring for Sign No. 70a, deleting construction of concrete curb and island at Sign V-15, providing new columns for Sign V-68, deleting the removal of "Cable Car" sign, installing a concrete pad for the impact attenuator, and providing temporary electrical services to illuminated road signs. The above work was required to accommodate field conditions.

Airport Contract No. 977, Modification No. 9 (Debit), Ratifying Action of Director of Airports on Change Orders, Expansion of Electrical Distribution System - Phase I, \$13,835.97.

No. 78-0217

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders 9 and 11, and requesting the Controller's certification of Modification No. 9 to Airport Contract No. 977, in the total amount of \$13,835.97, for revising electrical and telephone service required by removal of existing entrance booth and provision of same to relocated bus shelter and revising curbs, gutters, sidewalks, landscaping and paving to provide new driveway to Parking Lot "B" and removal of existing driveway to Lot "B".

Airport Contract No. 1000, Modification No. 32 (Debit), Ratifying Action of the Director of Airports on Change Orders, Garage: Stage IV - Superstructure Addition, \$16,595.00.

No. 78-0219

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders 83 thru 86, and requesting Controller's certification of Modification No. 32 to Airport Contract No. 1000, in the total amount of \$16,595.00.

This work consists of modifying the pipe guardrails at garage second level exits, fabrication and installation of metal sleeves through beams for drain piping, adds concrete curb at emergency generator room, deletes storage closet in Central Plant control room M122, and deletes the access manhole in Central Plant.

Airport Contract No. 1151, Modification No. 1 (Debit), International Holding Area - Rotunda "A", \$1,473.09.

No. 78-0220

Resolution approving and ratifying the action of the Director of Airports, Commission Resolution No. 70-0044, and requesting Controller's certification of Debit Modification No. 1 in the amount of \$1,473.00.

The work consists of installing a telephone cabinet and re-routing existing conduits to the new cabinet to re-establish telephone services to the surrounding area. This modification also provides for installation of additional metal studs and gypsum board

panels at existing partition above the ceiling line of the new Duty Free Shop Storage Room to seal off an opening to prevent vandalism.

B) Award of Airport Contract No. 1082, \$1,304,244.60, Overlay, Reconstruction and Blast Apron, Runway 1R-19L.

On motion of Commissioner McDonnell, seconded by Commissioner Coblentz, the following resolution was unanimously adopted:

No. 78-0221

Resolution awarding Contract No. 1082, Overlay, Reconstruction and Blast Apron - Runway 1R-19L, in the total amount of \$1,304,244.60 to L.M. Company, A Joint Venture.

The work in general consists of reconstructing and overlaying the south end of Runway 1R-19L together with reconstruction of a blast apron and raising the north end of the runway.

This work is not part of the Expansion Program. This work is part of the Airport Development Aid Program (ADAP Nos. 4 and 9) for which the FAA will reimburse the City under previously signed agreements for federal aid.

Mr. Heath said that L.M. was the low bidder, and a letter had been received from the Human Rights Commission indicating the company is in compliance with minority requirements.

Commissioner Goosby asked for an explanation of the requirement and guidelines. He said that all affirmative action statements should be included with the Commissioner's packets.

Mr. Lee said that Commission members had all received the information just prior to the Commission meeting.

Commissioner Goosby said that in the future, all such information should be included with the Commission packets.

Stanley Lim of the Human Rights Commission, spoke briefly on the minority percentage of the two different programs for Building Engineers and Heavy Engineering, stating their was a low percentage requirement for heavy engineering.

A member of the audience asked the difference between a blast apron and a blast fence.

Mr. Heath replied that an apron was a concrete area behind the threshold which takes the heat of the jet thrust. It was concrete rather than asphalt so it wouldn't melt.

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- 19) Resolution Consenting to "Club Management Agreement" Between Host International and Trans World Airlines.

On motion of Commissioner Coblentz, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

No. 78-0222

Host will provide beverage service in the TWA Ambassadors' Club Room at the Airport as in the past and the appropriate percentage of Host's receipts will continue to be paid to the City.

* * *

- 20) Modification to Contract with Main Lafrentz & Company, \$10,000.00.

On motion of Commissioner Coblentz, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

No. 78-0223

Resolution requesting Airports Commission to approve modification to contract with Main Lafrentz & Co. in the amount of \$10,000.00, in connection with the sale of the Series B Revenue Bonds and revised rates and charges.

Mr. Heath explained that due to the postponement of the Bond sale, additional funds for extra work were requested, the amount not to exceed \$10,000.

* * *

- 21) Approving Immediate Filling of Vacated Positions of Airport Communications Supervisor and Head Airport Electrician, and Supplemental Appropriation, \$11,395.00, Airport Operating Fund Salaries.

No. 78-0224

Resolution requesting approval of immediate filling of vacated positions of Airport Communications supervisor and Head Airport Electrician, and a Supplemental Appropriation in the amount of \$11,395.00 to provide funds for the replacements.

Commissioner Goosby asked if these were Civil Service positions which were already budgeted.

Mr. Heath replied that they were.

Commissioner Goosby asked if there was any provision in the Charter which required the Commission to go back to the Mayor and the Board of Supervisors for approval of a budgeted item.

Mr. Heath explained that the people who left these positions are still using up vacation pay, and there must be a supplemental appropriation to pay the new people in the jobs and it would not be necessary to ask for approval if it weren't for the money involved.

* * *

Resolution Approving Professional Services Agreement with San Francisco International Airport Medical Clinic.

On motion of Commissioner Coblenz, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

No. 78-0225

Resolution approving Professional Services Agreement, San Francisco International Airport Medical Clinic.

Mr. Heath said that his recommendation was that \$50,000 be paid to the Medical Clinic to keep the Clinic operating on a seven day, 24 hour a day basis for the remainder of the year. He said that there is an interim agreement for \$21,000, so the 12-month total is \$80,000.

Mr. Richard Jackson, Financial Secretary, International Association of Machinists, Local Lodge No. 1781, spoke in support of the Clinic continuing to operate on a 24-hour a day basis.

Commissioner Goosby asked if the original intent was to provide emergency services to passengers or to provide services for employees' use, in lieu of San Mateo County facilities.

Commissioner McDonnell explained that at the time of the opening of the Clinic the purpose was to serve the traveling public who became ill, but the need for immediate emergency medical treatment facilities was soon recognized and the Clinic became a facility for all medical needs. Commissioner McDonnell spoke about the national recognition this facility has received and that it is being copied by other airports throughout the world.

Commissioner Goosby inquired about the need for a subsidy since the Clinic operates on a paid basis, there is a net profit of \$35,000, and the doctors make a profit.

Mr. Heath said that the matter had been examined closely by the staff and if a facility was set up just to handle emergencies at the Airport, it might cost \$500,000. He said that there are six doctors involved, and he felt that \$80,000 per year is appropriate to pay for the services they offer.

Dr. Lawrence A. Smookler of the Airport Medical Clinic said that he had provided the Commission with adequate background, financial reports, etc., showing the costs. He also said that \$170,000 had been invested originally and that he expected some return on the investment.

* * *

3) Modification to Professional Services Contracts

On motion of Commissioner Coblentz, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

No. 78-0226

Resolution extending the terms of contracts with John F. Brown Company, Main Lafrentz and Company, and Touche Ross and Company.

Mr. David Lilly of San Francisco Tomorrow, asked what services were being provided and why time was needed.

Mr. Heath replied that time had passed, additional airplanes have landed, additional monies expended, and the bond statement has to be updated and the financial figures brought up to date.

Mr. Lilly asked when these figures would be available for public inspection.

Mr. Heath replied as soon as they were finalized.

Mr. J. Peter Singer, Deputy Director for Business and Finance, explained that the final figures would be available approximately August 24th.

Mr. Lilly asked why the item had not appeared on the agenda, saying he did not like to make comments when he was unprepared.

Mr. Heath replied that Mr. Lilly would have an opportunity to speak at the special meeting on August 29th and that the time and location of that special meeting would be announced five days prior to the meeting.

Mr. Lilly said that he had requested two weeks time to review the bond statement and thought he had been granted that time.

Commissioner Coblentz told Mr. Lilly that he would have the documents as soon as everyone else received them and there would be very few changes from the original Official Statement.

Mr. Heath said that any reasonable person could check the changes in the Official Statement in under an hour, and there will be five days to review those changes.

* * *

Director's Report:

Human Rights Commission

Mr. Heath said that he had received a letter from the Human Rights Commission and asked Mr. Grant Mickins to comment.

Mr. Grant Mickins, Director, Human Rights Commission, spoke on the Human Rights Commission programs with construction programs and minority enterprises.

Commissioner Goosby said that Mr. Redus letter on behalf of the Human Rights Commission seemed to indicate that there were problems with the list of architects and engineers picked for the major construction projects.

Mr. Mickins said that the AIA list is not broad enough and there have been protests that both the long list and the short list were not broad enough.

Commissioner Goosby asked if Mr. Mickins had been getting cooperation from Airport tenants.

Mr. Mickins said that his office had not been staffed fully enough to adequately gather information. He said that his office had not been monitoring leases until this year, so it would be improper to say that the Human Rights Commission approved of leases when they had not seen them.

Commissioner McDonnell asked if it could be arranged to get Commissioner Goosby information on Airport tenants.

Mr. Heath said that he was sure that between him and Mr. Mickins, the information could be forwarded to Commissioner Goosby.

* * *

Introduction of New Business by Commissioners

A. End of Commissioner McDonnell's Term.

Commissioner McDonnell said that this was his last regular Commission meeting; he thanked staff for their cooperation and outstanding performance during the time he had served. Commissioner McDonnell said that he was very proud to have been in his position on the Commission, and in some ways to represent the Airport.

Mr. Heath responded, saying how much he had enjoyed working with Commissioner McDonnell and how useful his vast store of knowledge and experience had been. Mr. Heath added, though, that Commissioner McDonnell would serve for one more meeting, the Special Meeting to be held on August 29.

* * *

Executive Session

John T. Alexander v. City and County of San Francisco.

On motion of Commissioner Coblentz and seconded by Commissioner Goosby, the following resolution was unanimously adopted:

No. 78-0227

Resolution authorizing settlement of claim of John T. Alexander v. City and County of San Francisco by payment of \$9,304.26.

* * *

Adjournment

There being no further business, the meeting adjourned at 5:10 p.m.

A handwritten signature in dark ink, appearing to read "Eric Craven". The signature is fluid and cursive, with a large initial "E" and "C".

Eric Craven
Secretary to the
Airports Commission

SF
A45
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8/29/78

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

August 29, 1978

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DR. Z. L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
SPECIAL MEETING

August 29, 1978

Call to Order:

The Special Meeting of the Airports Commission was called to order at 2:35 p.m., in Room 282, City Hall, San Francisco, California.

* * *

Roll Call:

Present

Commissioners Morris Bernstein,
Ruth S. Kadish, William E.
McDonnell, William K. Coblentz,
Zuretti L. Goosy.

Absent:

None.

* * *

Pledge of Allegiance:

Led by Commissioner Kadish.

* * *

Calendar Items:

- (1) Issuance of Airport Revenue Bonds, Series B -
\$90,000,000.00

On motion of Commissioner Goosby, seconded by Commissioner McDonnell, the following resolution was unanimously adopted:

No. 78-0228

Second Supplemental Resolution
authorizing the issuance of
\$90,000,000 Principal Amount
of San Francisco International
Airport Revenue Bonds, Series B.

Mr. Richard Heath, Director of Airports, explained that this Resolution was essentially the same as approved in April with an upper limit of 7.5 percent interest rate. He said that the Commission does not expect to pay that high a rate, but to cover all contingencies, it was listed higher. Mr. Heath said that Bond Counsel from New York City was present to answer any questions.

Commissioner McDonnell asked what the interest was on the last issue.

Mr. Heath said that it was just over 7 percent.

Mr. Heath said that the percentage was unknown as the bond market is unsettled, but if sold today, the bonds would probably be under seven percent; however, the sale date is September 19 and conditions may then be different.

Commissioner Kadish questioned the use of two designations (Northwest Airlines, Inc. and Northwest Orient) for the same airline in the Official Statement.

Donald J. Garibaldi, Airports General Counsel, said that the correction to Northwest Airlines, Inc. had already been made.

Mr. Heath said that he received a letter from Attorney David Lilly of San Francisco Tomorrow objecting to the Bond sale. (The letter is attached and included by reference.) Mr. Heath said that members of the Commission had received copies of the draft Official Statement on August 24, and a copy was available to Mr. Lilly that same day.

Mr. Jerry Levine representing San Francisco Tomorrow, reiterated his group's objections to the Bond sale, saying that the Commission had not taken into account the environmental imperatives listed in Mr. Lilly's letter. Mr. Levine contended that the bond statement was deficient, misleading, not fully disclosing, made no mention of M.A.P. (million arrival passenger), or the June 1976 Board of Supervisors' Resolution with reference to future capacity. He said that the statement is inadequate in that the full scope of the landing fee dispute had not been addressed. He felt that the Commission had been wise in dropping the bond issue a few months ago and he hoped that the Commission would not approve the Bond sale.

Ms. Susan Smith of San Francisco Tomorrow handed a letter to the Commissioners (which is attached and included by reference). She asked that the Commission review the Official Statement and reject it on the basis that the environmental impacts have not been adequately disclosed. Ms. Smith said that the Airport needed to comply with a limitation of 24 million arrival passengers and noise laws. Ms. Smith referred to the views of the Environmental Protection Agency regarding the Environmental Impact Statement. She said that the Airport had a problem with carbon monoxide standards. She said that there was failure to disclose all the facts and that the Commission apparently did not feel the environmental problems would ever restrict the activities at the Airport. Ms. Smith said that the lawsuit existing between the Airport and the airlines was not adequately mentioned. She questioned the annual costs for the project and the energy conservation aspects of the program. Ms. Smith urged that before another step is taken the Commission think of the best interests of the citizens of San Francisco. She said that the Airport would be environmentally tolerable if it remained at 24 million capacity. She said that the voters of San Francisco had been misinformed because they had been told that the \$90,000,000 bond issue was not for expansion, but the bond statement says that there will be a continued increase in arrival passengers.

Commissioner McDonnell asked Ms. Smith how the number of passengers coming into the Airport could be limited.

Ms. Smith replied that they should be in the same way that San Francisco dealt with the freeway problems. She said that when San Francisco didn't provide freeways, automobile traffic growth was stopped.

Mr. Heath replied that the Federal Government had approved the Environmental Impact Statement. He said that it was approved by the agency having jurisdiction, the Department of Transportation. He said that Ms. Smith's statement relating to the Department of

Transportation letter to the EIS was incorrect. He said that the Department was referring to the ADAP 8 Grant on which there were two conditions. He said that the first was that when the annual passenger load exceeded 24 million, the Airport would provide mass transit capacity for 25 percent of the daily trips to the Airport and the Airport is already providing over 25 percent mass transit capacity. Mr. Heath said that the 24 million figure was fast approaching and will be reached in 1979 or 1980. He said that there is no way the load can be diminished, turned off or turned aside. He said that failure to build terminals will have no effect on the passenger figure. Mr. Heath said that the Airport is now handling 24 million passengers in a facility designed to handle half that number, and people are not deterred from coming to San Francisco because the terminal facilities were built for 12 million. He said that terminal facilities are absolutely irrelevant in terms of passenger usage.

Mr. Heath said that he was concerned about the environmental impacts of the Airport, but to focus attention on terminal facilities is unquestionably the least effective strategy to be taken to handle environmental effects. He said that the last thing an airport operator had control over is the number of people coming to an airport. He said that those are individual decisions; the only possible control would be to set up a bureaucracy whereby people would apply for permission to fly to San Francisco. He said that to build or not to build terminal facilities is not even a question to be argued about as it will not in any way affect the passenger usage of an airport.

Mr. Heath said that Seattle had built a large airport which was utilized only to half capacity, which indicated that the size of a terminal did not attract the traveling public. He said that people fly to cities, not to airports.

Mr. Heath said that there were other errors in Ms. Smith's statement. He said that in 1976, the Board of Supervisors passed a resolution concerning Airport expansion which essentially stated that the Board would not approve any expansion beyond what was planned, except for safety factors. Mr. Heath said that that is what the \$90 million bond money is for: to replace existing facilities. He said that the original Board of Supervisors resolution had a 24 million annual passenger figure in it, but the approved resolution had that figure deleted. He said that the only 24 million passenger figure which is official is the one concerning the ADAP 8 Grant, which states that when the Airport reaches that figure, there must be capacity for mass transit for 25 percent of the people coming to the Airport. Mr. Heath said that a recent survey indicates that 28 percent of the employees now use some form of mass transit to commute; many ride United Airlines buses which have a capacity beyond that figure. He said that, in general, the Airport's mass transit capability is far higher than the condition set by the FAA. Mr. Heath said that figures from SamTrans and Airporter indicate that the same is true for passengers.

Mr. Heath said that the Airport is in compliance with the State Noise Law and expects to remain in compliance even when the criterion noise impact boundary is lowered to 70 decibels in 1981. He said that continued compliance after 1985 will be largely dependent upon the results that are achieved when and if the FAR 36 noise standards are met by all airlines servicing San Francisco.

Commissioner Goosby asked about the carbon monoxide problem.

Mr. Heath responded that the situation was badly misunderstood. He said that there was only one permanent air pollution monitoring site, located on Airport property alongside the Bayshore Freeway. He said that traffic studies indicate that 90 percent of the freeway traffic has no connection with the Airport. He said that the monitor was placed by the regional Air Pollution Control Board to monitor freeway pollution levels. Mr. Heath said that some temporary readings on the lower level of the terminal area were done, and that those were in excess of standards, but that staff was studying ways to improve the situation. He said that if tests were taken in San Mateo or the downtown parking garages, they would be in excess at times, depending on atmospheric conditions. He said that a major difference is that the Airport volunteered to have these tests made and is working with the Air Pollution Control Board on methods of limiting the pollution.

Additionally, Mr. Heath said that the Airport has embarked on a major advertising campaign to persuade people not to come to the Airport in their private automobiles but rather to utilize mass transit. Mr. Heath said that the Airport does not have the power to tell the public they can't drive to the Airport in their public automobiles. Additionally, he said that the Charter prohibits the Airports Commission from starting its own transportation system.

Mr. Heath said that the Environmental Impact Statement and the Environmental Impact Report were assessed by the City Planning Commission which found them complete and totally adequate. He said that both the Board of Supervisors and the Airports Commission had determined that while there were adverse environmental impacts, the economic benefits outweighed them.

Commissioner Kadish said that regarding carbon monoxide, three meetings ago she had asked that the transportation consultant investigate the possibility of an auto entrance charge as a means of cutting vehicular traffic volume.

Mr. Heath replied that Dr. Jackson Faustman, Traffic Engineer and Consultant, was now looking at this possibility, as well as possibly arranging for an area removed from the terminal buildings where passengers could be picked up and dropped off.

Mr. Heath said that there is no lawsuit against the Airport by the airlines. He said that the suit Ms. Smith referred to was between Hetch Hetchy and the airlines, and the Airport was involved only as the party which passed along the billing to the airlines; but this question was irrelevant to the Bond issue. Mr. Heath said that airlines' responsibility, stated in the City Charter is to pay the cost of operating the Airport, and that there is no way that this can affect the Bond issue.

Mr. Heath said that the Official Statement is not an environmental report. He said that it does not go into all items but is a document designed to give full information to Bond buyers about what they are buying and what the fiscal security is. He said that the basic security of the Bonds is the health of the airline industry and that industry has agreed to pay all costs. Mr. Heath said that there may be other disputes, but when they are settled, the airlines will pay the correct charges.

Ms. Smith asked to speak again, but Commissioner Bernstein cautioned her that this meeting was not a public debate.

Ms. Smith referred to the Department of Transportation letter regarding acceptance of the EIS, and the two conditions. She said that the Airport staff had misrepresented information and said that the Commissioners should speak to the staff for which they were responsible.

Mr. Heath responded that the only comment he had regarding the 24 million passenger figure was that the Airport is in compliance with all necessary conditions, and the FAA has so certified.

* * *

- (2) Official Notice of Sale, Bid Form and Official Statement in Connection with the San Francisco International Airport Revenue Bonds, Series B.

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

No. 78-0229

Resolution approving the Official Notice of Sale, Bid Form, and Official Statement in connection with San Francisco International Airport Revenue Bonds, Series B.

Commissioner McDonnell asked the airlines for their comment on page 6 of the Official Statement.

Mr. Thomas Welch, attorney for the Airlines Policy Committee, replied that the airlines' comments were incorporated partially, but not completely as it would be impossible to incorporate the many pages involved. He said that the summary provision on page 6 does describe the basic nature of the dispute.

Commissioner McDonnell asked if, as representative of the airlines, Mr. Welch had any objection to this statement.

Mr. Welch replied it was an adequate statement within the space limitations. The airlines have read it, but do not endorse it.

* * *

- (3) Decision of Landing Fee Special Charges.

Resolution rescinding that portion of Resolution 78-0156 which sets Special Charges A and B as an addition to the base rate landing fees.

Mr. Heath suggested that this be put over until after September 19. The Commission agreed.

* * *

A) Special Item: Conclusion of Commissioner McDonnell's Term on Airports Commission.

Commissioner Coblentz spoke, saying that for eight years he had had the pleasure of serving on the Airports Commission with Commissioner McDonnell; of knowing him, working with him, finding him a man of impeccable credentials and integrity. He said that Commissioner McDonnell had rendered invaluable service, not only to the City, but to the Commission and to everyone who has utilized the Airport; the Airport could not have achieved the results it has if it hadn't been for the dedicated efforts of Commissioner McDonnell who put in tremendous effort to help solve the many problems. Commissioner Coblentz said that those who have served with him, those who will continue to serve, and those who will know and use the Airport owe much to Commissioner McDonnell. He said that while Commissioner McDonnell is lost to the Airport, as far as physical presence is concerned, his assets and endeavors will endure for years to come.

Commissioner Bernstein said that he had served with Commissioner McDonnell through other administrations, and owed a great deal to him.

Commissioner Kadish said that it had been 20 months since she had joined the Commission, and the first thing she had done was approach Commissioner McDonnell, as President, and ask him to give her a sense of historical perspective in relation to the present. She said that he gave unstintingly of his time and information and had it not been for the help he gave her, she would not have so quickly been brought up to date and able to function. Commissioner Kadish said that Commissioner McDonnell did this not as a personal favor, but as a favor to a fellow Commissioner who was serving the City.

Mr. Heath said that he had enjoyed and appreciated the relationship with Commissioner McDonnell, especially since he came to the job without having previously managed an airport. Mr. Heath said that the background provided by the Commissioner, the history, gave a sense of continuity. Mr. Heath said that Commissioner McDonnell had been of tremendous value. Mr. Heath said that this was not an end, but the beginning of a different kind of relationship and hoped that the Commissioner would always feel free to call him or the staff to express his views. He congratulated the Commissioner on the job that he had done, the time and effort he had devoted to the Airport, and staff and the Commission.

Mr. J. William Lawder, Vice Chairman of the Airlines Policy Committee, spoke, saying that if it had been known among the airlines that this was Commissioner McDonnell's last meeting, each airline would have been represented individually. Mr. Lawder said that Commissioner McDonnell was an effective advocate and, while the airlines and the Commissioner had had their differences, it had been a fine relationship. Mr. Lawder said that he also brought greetings from Mr. A. J. Kaiser, retired Chairman of the Policy Committee. Mr. Lawder said that the airlines have always felt free to call Commissioner McDonnell and will continue to do so when they need his good advice.

Howard Varner, President of Host International, Inc., spoke briefly, recalling the long association with Commissioner McDonnell, first on the Public Utilities Commission and later the Airports

Commission. Mr. Varner said that he was proud of the association, proud of the job done, and called Commissioner McDonnell's leaving the Commission a sad day for all, as the City would lose an outstanding person.

Commissioner McDonnell responded, saying that he had thanked the staff at the last meeting. He recalled that it was a little more than a year since Mr. Heath took over as Director. Commissioner McDonnell noted that while he had voted against Mr. Heath for the job as Director, in every way Mr. Heath had done an excellent job. He said that they had gotten along extremely well, and he thought the City very fortunate to have obtained Mr. Heath's services, and also fortunate to have the staff that Commissioner McDonnell had worked with for ten and a half years. He said that even though the Commission and staff had disagreed with the airlines on a few things, Commissioner McDonnell felt that San Francisco International had become one of the best airports in the world only because of the airlines.

* * *

Adjournment

There being no further business, the meeting adjourned at 3:25 p.m.



Eric Craven
Secretary to the
Airports Commission



San Francisco Tomorrow

9 FIRST STREET · ROOM 826 · SAN FRANCISCO, CA 94105 · TELEPHONE 566-7050

August 29, 1978

Morris Bernstein, President
San Francisco Airport Commission
San Francisco, CA 94128

1978

Dear Mr. Bernstein:

COMM-110-1001 10/5/78

On behalf of San Francisco Tomorrow, I urge the Airport Commission to refrain from taking the actions described in the agenda of today's special meeting.

The reasons for our opposition to the issuance of \$90,000,000 in revenue bonds are well known to this Commission. Continued expansion at S.F.I.A. will have a tragic and an irreversable effect upon the environmental quality of the Bay Area.

It is clear that your approval of the items on today's agenda will constitute a decision which will have a significant effect upon the environment. Moreover, we believe that the Environmental Impact Report prepared in 1973 is no longer adequate and that a new or supplemental E.I.R. should have been prepared prior to today.

Let me briefly outline some of the reasons why the 1974 E.I.R. is no longer adequate.

1. The Expansion Project has significantly changed since 1974.
2. New data is available that shows chronic carbon monoxide problems at S.F.I.A. - problems that were unknown in 1973.
3. A recent U.C.L.A. study points to an increased incidence of birth defects due to airport caused pollution.
4. The airline industry is currently undergoing a radical transformation that will significantly alter transportation patterns.
5. There has been an enormous and unforeseen increase in the cost of energy.

The above is not meant to be a complete list. It merely should indicate the compelling need to reassess previous assumptions.

However, one fact cannot be disputed. The expenditure of \$90,000,000 will bring the capacity of S.F.I.A. well in excess of 24 M.A.P. This is in direct contravention of the Board of Supervisor's 1976 Resolution and your own promise last November that the money would not be used for expansion.

Finally, the voters have a right to reassess the wisdom of incurring this kind of indebtedness in the face of the current dispute over the landing fee/rental agreements, an assessment they were unable to make last November.

For all of the above reasons, we urge you not to issue these bonds. Further reasons will be forwarded this week.

Very truly yours,

A handwritten signature in dark ink, appearing to read "David M. Lilly". The signature is fluid and cursive, with the first name "David" being the most prominent.

DAVID M. LILLY
Chairman, Airport Committee

DML:sy

1730 A Jones Street
San Francisco, Ca 94109
August 29, 1978

Mr. Morris Bernstein
President, S.F. Airport Commission
City Hall
San Francisco, Ca 94102

Re: Airport Bond sale - misrepresentations to voters
and misrepresentation to bond buyers.

Dear Mr. Bernstein:

I would like to ask you and your associates on the Airport Commission to reject the Official Statement for the Airport Bond Sale because it is in conflict with the proposal as described to the voters and because significant information concerning the environmental problems of the Airport have been omitted.

The voters were told that this bond proposal provided 'no expansion' and that the airport generated millions of dollars a year for the General Fund.

The Official Statement shows neither statement to be accurate or reasonably accurate.

The Repayment of the bonds is predicated upon:

12.7% growth in air cargo compounded annually until 1990
8% growth compounded annually in ground transportation/parking revenues.

Continuation of the Alioto Commission growth plan begun several years ago in terms of passengers and aircraft.

Airport documents show that the Airport will reach a design level of 24 Million Annual Passengers when the North Terminal opens in several months. Reconstruction of the Central Terminal adds 3 MAP and other construction takes the Airport to the 31 MAP design level.

Federal agencies required to comment on the Airport expansion through the Environmental Impact Statement process, thereafter, limited their approvals to 24 MAP in one case, establishing conditions that the Airport has been unable to meet in terms of further approvals. Further federal aid funds are jeopardized. EPA found the EIS project unacceptable, the mitigation program unrealistic and described the Airport in chronic violation of carbon monoxide standards.

None of this essential data which will surely constrain the airport expansion is included in the Official Statement. Nor is it admitted that the Airport is required to provide a Cargo EIR/EIS so that assumptions of cargo growth are at risk.

No expert, independent agency has looked at the Airport's problems and found that it would be realistic to expand beyond 24 MAP. If the Airport Commission has the interests of this city as its highest priority, then it cannot in good conscience violate its commitment to voters of 'no expansion' and ignore environmental hazards to S.F. neighborhoods of expanding again.

Sincerely,

Sue Smith *Sue Smith*

ARGUMENT FOR PROPOSITION C

San Franciscans deserve an airport that is uncluttered, efficient, safe, and environmentally sound. Proposition "C" will help accomplish those goals at **NO COST TO THE CITY'S TAXPAYERS.**

position "C" will:

Construct a waste treatment plant that will stop the dumping of Airport pollutants into Francisco Bay.

- Reconstruct and repair many old and deteriorating piers that are unsafe and inefficient.

Rebuild portions of the Customs Area of the Port which, because of their inadequacy, have caused hours of delay for hundreds-of-thousands of travelers.

position "C" will not:

Mean more noise pollution. Proposition "C" is an expansion program but merely a reconstruction and remodeling of unsafe and inefficient struc-

• Cost the taxpayers a dime. By State law, the only people obligated to pay the cost of Proposition "C" are the various tenants of the Airport—the airlines, restaurants, etc.

- Add to our bonded indebtedness. These are revenue bonds, secured by the income of the Airport, and under no circumstances can the homeowners and renters of the City be held responsible for paying their costs.

To help complete the Airport. To make necessary safety and environmental repairs. WE URGE A "YES" VOTE ON PROPOSITION "C".

Terry A. Francois

Member, Board of Supervisors

Bob Mendelsohn

Member, Board of Supervisors

Peter Tamaras

Member, Board of Supervisors

Dorothy von Beroldingen

Member, Board of Supervisors

ARGUMENT FOR PROPOSITION C

As this City's chief executive, San Francisco's departure means more to me than a departure and a turning point for approximately 20 million people a year. It is a large enterprise that must be run efficiently, economically, and safely for not only the residents—our largest industry—but also for the taxpayers of San Francisco. That's the primary reason I strongly urge a YES vote on Proposition "C". Proposition "C" provides funds for building a new sewage plant that will finally stop the dumping of inadequately treated waste into San Francisco Bay. Using the force of law, a State agency requires that the City build this badly needed plant. It is the State's own concerns for environmental quality of the bay that also require its construction.

proposition "C" will tear down and replace aging and unsafe portions of the Central Terminal which is sinking into the ground and literally falling apart.

reconstruction will bring the Airport up to current earthquake, fire, safety, and environmental standards. There will also be special emphasis on using materials and equipment that will result in substantial savings of energy.

And Proposition "C" will reconstruct and rebuild the woefully inadequate Customs section of the overcrowded South Terminal—a facility that handles the bulk of international flights. Passengers, airlines, and even Time Magazine have singled out this facility as totally inadequate.

Most important of all, this necessary remodeling and refurbishing will cost the property taxpayers of this City nothing. All costs of this \$90 million bond issue will be repaid out of Airport revenues—the fees and rents of the airlines, restaurants and other tenants of the facility.

"As Mayor, I'm sure you share my interest in having an environmentally sound, structurally safe, energy and economically efficient Airport—an Airport that is not only self-sufficient, but actually contributes millions of dollars each year to the City's general fund.

Those reasons mandate a "YES" vote on Proposition "C".

George R. Moscone, Mayor

Arguments printed on this page are the opinions of the authors and have not been checked for accuracy by any official agency.

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- Construct a waste treatment plant that will finally stop the dumping of Airport pollutants into San Francisco Bay.

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- Rebuild portions of the Customs Area of the Airport which, because of their inadequacy, have caused hours of delay for hundreds-of-thousands of travelers.

Proposition "C" will not:

- Mean more noise pollution. Proposition "C" is not an expansion program but merely a reconstruction and remodeling of unsafe and inefficient structures.

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George R. Moscone, Mayor

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March 1973.

PAGE 1-6

BECHTEL EIR / AIRPORT
CSFCITY PLANNING COMMISSION

D. STAGES OF CONSTRUCTION

The Expansion Program is planned to be constructed in four stages, related primarily to expansion of passenger facilities. The tentative staging of the development is described below. Should passenger growth not increase as rapidly as predicted, the Airports Commission would evaluate the requirements for the subsequent stages. All of the first stage projects and many of the projects in the other three stages were approved prior to the effective date of the California Environmental Quality Act, November 23, 1970. Construction has been

initiated on all of the projects in Stage 1 and all but Rotunda A have been completed. Likewise, work has been initiated on projects in Stage 2a. These Stage 1 and 2a projects, which have been completed or are under construction, some of which have had Environmental Impact Statements approved previously by the Federal Aviation Administration as required by the National Environmental Policy Act (NEPA) since federal funds were involved, are included in the proposed Expansion Program to portray the full extent of the work and the total impact on the environment. Appendix A describes the projects as they are tentatively arranged in stages, and where construction has been initiated provides the status of each project. The total Expansion Program in the terminal area is shown in Figure 1-5.

- The first stage, which is largely completed, will provide new boarding areas for international passengers, as well as many airside and landside improvements, including a new sewage treatment plant, with new influent and effluent lines and improved utilities. This stage will be complete by late 1973, with a design level of 17,400,000 annual passengers. See Figures 1-6 and 1-10.
- The second stage as presently planned would provide for completion of a new Terminal with two new remote boarding areas, plus enlargement of the parking facilities in the garage, and will provide additional space in the South Terminal for the international carrier activities. Included in this stage is an industrial waste treatment plant with force mains and pump station, replacement of present sanitary sewers, a deep water outfall for treated wastewater, and stand-by power for the sewage treatment plant. This stage is to be complete by ~~early 1976~~ → END OF 1978, with a design level of 24,400,000 passengers annually. See Figures 1-7 and 1-10.
- Stage 3 as presently planned would provide new frontal gates on each side of the present Central Terminal and three remote boarding areas replacing existing ones. This stage is to be complete by 1979, with a design level of 27,400,000 passengers annually. See Figure 1-8.
- In the final stage, the present South Terminal would be enlarged, new frontal gates provided and two remote boarding areas replaced. Completion is planned for 1982, with a design level of 31,000,000 passengers annually. See Figure 1-9.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

100 CALIFORNIA STREET
SAN FRANCISCO, CALIFORNIA 94111

Mr. Gerald M. Dallas, Chief
Airport District Office
P.O. Box 45018 Westchester Station
Los Angeles, California 90045

JUN 10 1977

Dear Mr. Dallas:

The Environmental Protection Agency has received and reviewed the final Environmental Impact Statement for Expansion of San Francisco International Airport.

Our review of this document indicates that it is unresponsive to the comments EPA Region IX offered on the draft statement. More important, the project itself, as presently planned, is environmentally unsatisfactory, due largely to chronic violations of the carbon monoxide standards. In addition, there are insufficient mitigation measures offered to ameliorate the adverse environmental effects of airport expansion on surrounding communities.

In light of these problems, EPA Region IX staff met on May 24, 1977 with Mr. John Becker of the FAA District Office. We had a productive discussion concerning mitigation measures, modeling techniques, and noise issues. We indicated to Mr. Becker at that time that we would be responding formally that the FEIS is unresponsive, and that the project is environmentally unsatisfactory.

EPA notes with concern that the comments of agencies with expertise in the area of air quality (Bay Area Air Pollution Control District and the Air Resources Board in addition to EPA) that were responded to in the FEIS tended to be rebutted rather than considered in revising the document. We understand that several post-publication meetings occurred during which some of these issues were resolved in a mutually satisfactory manner, however, the basic point is that agencies with the expertise offer comments not so much to critique the documents as to improve their content and to provide a more credible analysis. The lack of reporting of these subsequent meetings makes the document a poor vehicle to express FAA's final technical basis for making decisions on the project.

As FAA may be aware, EPA annually assists FHWA and UMTA in certification of Metropolitan Planning Organizations responsible for the preparation of Regional Transportation Plans. The RTP's contain airport elements including, in this case, policies for expansion of air service. EPA's assistance takes the form of evaluating consistency of the RTP with the State Implementation Plan for attaining and maintaining the National Ambient Air Quality Standards. Under ideal circumstances a transportation project can then be shown to be within the RTP and by extension be consistent with the State Implementation Plan. In the San Francisco Bay Area this is not yet the case, thus EPA examines all major transportation projects for consistency with the SIP.

Since the region exceeds the National Ambient Air Quality Standard for oxidants by a considerable margin on a significant number of days each year, EPA looks to the airport to demonstrate reductions in hydrocarbon emissions - from both the air and ground access sides of the terminal. Further, given the existing and modeled future violations of the national ambient air quality standard for carbon monoxide, EPA expects the adoption of mitigation measures sufficient to ensure the attainment and maintenance of the CO standard adjacent to the terminal area and surrounding grounds. Since CO is a localized phenomenon such a task is within the scope of the project. These exceedences of the carbon monoxide standard and hydrocarbon emissions contributing to violations of the oxidant standard constitute inconsistency with the State Implementation Plan and require EPA to find the project environmentally unsatisfactory.

The mitigation program described in the final EIS is not acceptable due to the continuation of problems noted above. It is important to restate that the CO violations appear to be a local problem resolvable by the project sponsor while the oxidant problem is more complex. Reducing airport hydrocarbons emissions is not expected to cause attainment of standards, although such reductions will be consistent with the SIP goal of reducing hydrocarbon emissions until the oxidant standard is reached. Many agencies and groups commenting on the EIS offered suggestions for mitigating the air quality impacts of the project. The major point to consider is that the impact of the adopted program on reducing emissions must be analyzed to support the contention that the impacts are to be effectively mitigated.

We are referring this project to the President's Council on Environmental Quality, pursuant to our responsibilities under Sec. 309 of the Clean Air Act, and to the Office of Federal Activities in our Headquarters Office in Washington, D.C. If you have any questions about our comments, or would like to set up another meeting to discuss our objections to this project, please contact Patricia Sanderson Port at (415)556-6266. A copy of our comments will appear in the Federal Register and will be made available to the public.

Yours sincerely,

Original signed by:

Paul De Falco, Jr.

Paul De Falco, Jr.

Regional Administrator

cc: Council of Environmental Quality

cc: William J. Dwyer, Director of Airports
San Francisco International Airport
P.O. Box 8097
San Francisco, California 94128

UNITED STATES GOVERNMENT

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

Memorandum

DATE: April 15, 1977

SUBJECT: Proposed Final EIS, San Francisco International Airport Development Program

FROM: Acting Assistant Secretary for Environment, Safety, and Consumer Affairs

TO: Assistant Administrator for Airports Programs, FAA/AAP-1

We have reviewed the proposed final EIS for this program, and have discussed the proposal with members of your staff and with a representative of the San Francisco Airport Authority. Based upon these reviews and discussions, I have concurred in the EIS, subject to two conditions. I understand that these conditions are acceptable to FAA and the Airport Authority. The conditions are as follows:

1. That FAA place a condition on the grant for this program which would require the San Francisco Airport Authority to take the lead to develop a program, in conjunction with other local agencies, to achieve a level of transit service that will accommodate 25 percent of trips to the airport as part of any anticipated development beyond the 24 million annual passengers (MAP) level.

The importance of achieving a relatively high level of transit service to the airport is the result of various concerns, including air quality objectives noted by the California Air Resources Board (EIS, Volume 3, Part 2, Page iii-55). The EIS notes the condition established by the Metropolitan Transportation Commission (MTC) that 25 percent of ground access should be via transit before any project providing for greater than 24 MAP is undertaken. The ground access mitigation measures covered in the EIS (Volume 1, Chapter X) present several approaches to this concern, and a commitment by the Authority to this objective appears to be appropriate.

2. That FAA obtain a commitment from the Authority to expand its noise abatement program to consider the full range of alternative measures outlined in the FAA Noise Policy Statement of November 18, 1976, and to implement all feasible measures, with the objective of maintaining compliance with the California airport noise law through 1980.

The EIS notes a number of operational steps which have been taken at the airport to reduce noise impacts. It also indicates that the FAA noise policy promulgated in November 1976 will further reduce noise impacts in coming years. However, it does not reflect a commitment to serious study and implementation, where appropriate, of actions such as acquiring heavily impacted residential properties, installing sound insulation, or implementing a full or partial curfew to reduce noise impacts.

Attached is a copy of the proposed FAA decision memorandum on this program with my concurrence.

W. C. Sullivan

1976 - \$ 143 MILLION AIRPORT REVENUE BONDS

The construction costs of the current portion of the expansion program are estimated at \$234,650,000 (excluding financing costs). \$118,988,000 of those costs will be provided from the proceeds of the Series A Bonds. The remainder has been funded as follows: \$98,000,000 from general obligation bonds issued by the City for Airport purposes between 1967 and 1974 and \$17,662,000 from internally generated funds, Federal assistance payments and tenant contributions.

The construction costs of the remainder of the total expansion program are estimated at \$234,385,000 (excluding financing costs). Because of the need to phase various aspects of each major component of the expansion program in order to avoid interrupting the orderly operation of the Airport, the remainder of the expansion program is anticipated to be financed with several subsequent series of Bonds. The principal amount of each such series of subsequent Bonds will be determined on the basis of construction and related costs of the improvements and facilities then to be financed, reserve fund requirements specified by the applicable supplemental resolution, capitalized interest to the extent necessary in each instance, at then prevailing interest rates, and anticipated interest earnings on investment funds. Based upon current estimates, it is expected that these subsequent series of Bonds will aggregate approximately \$280,000,000.

When completed in 1994, it is anticipated that the expansion program will provide a total of 2,237,831 square feet of terminal area, six new or rebuilt piers, 78 boarding gates from terminals and piers, an expanded 7,000 car garage, a new airport control tower, people movers and other passenger access facilities, and needed additional support facilities. The expansion program incorporates and reflects the Airports Commission's evaluation of the needs and requests of the air carriers who serve the Airport. An essential element in the program is the North Terminal construction, which will be almost wholly occupied by United Airlines, thus freeing space in the existing Central Terminal for other air carriers now in that terminal and in the South Terminal.

The issuance of additional Bonds to finance the remainder of the Airport expansion program is subject to approval by the Board of Supervisors of the City. The Board has recently appointed a Select Committee to study the feasibility of the remainder of the Airport expansion program. There can be no assurance that Board approvals required for future financing of the remaining expansion program will be obtained. The facilities comprising the current expansion program will be fully functional and not dependent upon the completion of subsequent phases of the Airport expansion program to be usable and revenue producing. 11

The Current Expansion Program

In addition to the new North Terminal, extension and improvement of runways, new access roadways, taxiway and apron improvements, new sewage collection and treatment facility and new maintenance facility which have been or will be financed from the proceeds of \$98,000,000 general obligation bonds previously issued by the City and \$17,662,000 from internally generated funds, Federal assistance payments and tenant contributions, the current expansion program consists of the improvements and facilities described below to be financed from the proceeds of the Series A Bonds. These items have heretofore been approved by the Commission and the Board. The Commission staff has provided information pertaining to the items to be financed, the estimated costs for each such item, and estimated costs for professional services (architectural, engineering and similar services), staff services, equipment, and contingencies.

(1) North Terminal Aprons—Provides paved parking areas for aircraft using the new North Terminal frontal access gates and piers H and I.

SAN FRANCISCO AIRPORTS COMMISSION



NOV 13 1978

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MINUTES

September 5, 1978

GEORGE R. MOSCONE, MAYOR

COMMISSIONERS

RUTH S. KADISH

President

MORRIS BERNSTEIN

Vice-President

WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING

September 5, 1978

Call to Order:

The regular meeting of the Airports Commission was called to order at 2:31 p.m. in Room 282, City Hall, San Francisco, CA.

Roll Call:

Present: Commissioners Morris Bernstein,
Ruth S. Kadish, William K.
Coblentz, Zuretti L. Goosby.

Absent: None.

Pledge of Allegiance: Led by Commissioner Coblentz.

Special Item: Election of Commission Officers Pursuant to the Airports Commission Rules of Order, Rule 6: "At the first regular meeting of the Commission after the 1st day of September of each year, the members of the Commission shall elect from among their number a President and Vice-President of the Commission, each to serve for a one-year term."

Commissioner Bernstein said that it would be better if the Commission put the matter over to the next Commission meeting on September 19th when the Commission expects to have a full complement of Commissioners for the vote.

Special Item: Presentation by Host and other potential North Terminal lessees.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

No. 78-0230 Approval for Host to proceed with design for the seafood bar and the cappuchino bar facilities in the North Terminal.

Mr. Richard Heath, Director of Airports, stated that at the last Commission meeting a resolution was passed on the allocation of space in the North Terminal. At that time the Commission requested a presentation by Host, which Host was ready to make at the current meeting.

Mr. Arthur T. Spring of Host International made a presentation about the area in the "throat area" of the North Terminal and said that he would make a presentation in a few moments about the proposed use of the area on Pier F. Mr. Spring said that for the "throat area" he would suggest a seafood bar and showed the Commission renderings of the facility Host was preparing.

Commissioner Kadish asked some questions about the seafood restaurant: how many people would it seat, and what types of decorating materials were to be used.

Mr. Spring said that the seafood bar would seat about 86, adding that the cappuchino bar on Pier F would seat about 90. He said that the 110 person capacity of the sit-down restaurant, the total capacity of North Terminal eating facilities would be about 266.

Commissioner Kadish said that in regard to the seafood bar, she felt that since people live in such a plasticized world, use of real wood would be refreshing.

Commissioner Goosby inquired how many food facilities were on the Airport.

Mr. Spring replied that there were four.

Commissioner Goosby asked if that was adequate to handle the number of passengers using the terminals.

Mr. Spring said that he did not feel it was adequate.

Commissioner Kadish asked if the table service in the sit-down restaurant would be equivalent to the International Room.

Mr. Spring said that it would not.

Commissioner Kadish inquired if the menu would be the same in the sit-down restaurant as in the International Room.

Mr. Spring said that it would be similar.

Mr. Heath said that the use of the two areas should be decided upon at this meeting so that they would be open at the same time the terminal opens; other spaces will be available for other services. He said that the staff would come back to the Commission for whatever service it desires to place in those areas.

Commissioner Kadish asked if the dry ice for the seafood restaurant would create a problem.

Mr. Heath said that the take-out food would be pre-packed.

Commissioner Coblentz asked if it is the staff's recommendation that Host have this oyster bar.

Mr. Heath replied it is the staff recommendation for the allocation of the space, although the recommendation does not necessarily include a take-out bar.

Commissioner Coblentz said he had some reservations about the color palette but that anything put into the area should be subject to the approval of the architects. He said that the use of part of the area for take-out is not definitely being approved.

Commissioner Bernstein said that the Commission would be verifying, in principle, the agreements.

Commissioner Goosby asked if regarding the cappuchino bar area there would be a quiet area where customers could sit.

Mr. Heath said that this type of area would be available.

Commissioner Goosby asked if there was a possibility that in view of the long walk to the cappuchino bar, people would utilize the new cafe.

Mr. Heath said that it was the staff's views that there would be sufficient traffic to support that activity.

Mr. J. Peter Singer, Deputy Director, Business and Finance, stated that in the oyster bar area 2½ million passengers are anticipated; in another area 1/2 million to 3/4 million are expected so there will be considerable usage in the North Terminal.

Commissioner Kadish said that the Commission would approve this allocation of space to Host with the two reservations that no decision was being made as to allocating the take-out service to Host and that the color palette must be coordinated with the architects. Additionally, Commissioner Kadish asked that a progress report be made to the Commission as the work progresses.

Mr. Leonard Berger representing the Airport Florist requested that the Commission reserve space for his client at some other space in the North Terminal.

* * *

Calendar Items:

- (1) Bid Call for Airport Contract No. 1152,
Pavement Overlay - Lower Level Road at North Terminal

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

No. 78-0231	Resolution approving the final plans and specifications and authorizing the Director of Airports to call for bids for Airport Contract No. 1152, Pavement Overlay, Lower Level Road at North Terminal.
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* * *

- (2) Modification No. 7, Shuttle Bus Agreement

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

No. 78-0232	Resolution approving adjustment in hourly rates paid for operation of Shuttle Bus Service at San Francisco International Airport, due to increase in cost of required workmen's compensation insurance.
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Mr. Heath said this is a modification to the shuttle bus agreement which is required by a change in the workmen's compensation rates effective September 1, 1978.

* * *

- (3) Approval of Claims Settlement

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

No. 78-0233	Resolution requesting Airports Commission to approve claims settlement for July and August, 1978, and also the writing off of claim against FM Productions (August, 1971).
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Mr. Heath said this is an approval of claims each less than \$1000.

* * *

- (4) Tenant Improvement: United Airlines Service Center Hangar Ancillary Building - \$580,000.00.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

No. 78-0234

Resolution approving the final plans and specifications submitted by United Airlines showing the Ancillary Building to be constructed adjacent to the Service Center Hangar at Plot 4, together with several miscellaneous projects required to improve operations at the Service Center.

Mr. Heath said that there have been discussions between staff and UAL. He requested Commission approval of the plan.

Commissioner Coblentz asked if there will be foliage to obscure that building from the roadway.

Mr. Len Blackford of Airport Architects said that there is landscaping along the service road which would somewhat obscure the building.

Mr. Jan Blais of United Airlines said that they are pleased to be getting this approved. He added that the main building under discussion has architectural merit. He said that if the Airports Commission let this go another week, costs would markedly increase. He said that Airport Architects had an objection to the location of the building in that spot but that ideally for United the whole package would be approved today.

* * *

- (5) Invitation of Bids for Award of Lease for Operation of a Hotel-Motel Advertising Service at SFIA.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following item was placed before the Commission for discussion; subsequently it was removed from the calendar:

Resolution authorizing the Director to invite bids for the award of a lease entitled "Lease for Operation of Hotel-Motel Advertising Service at SFIA" for a term of two years commencing on the opening date of the North Terminal Building; with provision for two (2) successive extensions of two (2) years and one (1) year, respectively, at the sole discretion of this Commission; said lease to be awarded to the highest responsible bidder based on a percentage of gross revenue as more fully set forth in the bid invitation.

Mr. Heath said this has been under consideration for some time. He said that what the Airport is really looking for is not available from the current operation. He said that he had been working with

the City Attorney on how to structure the lease. He suggested that the Commission hear from two organizations as to their views on the staff proposal.

He said that the Commission should try to construct it so that the best type of service is provided, service which would provide information helpful to the traveling public.

Commissioner Kadish said that even though the profit is not the important factor, there has to be development of criteria. She said that the Commission has not been given information on what has been developed by staff to this point. She said that even hearing a presentation from potential bidders would not provide essential background information to the Commission. She said that discussion should only follow after major details have been tied down by the staff.

Mr. Heath said that the proposed lease did not get into the package. He said that he had asked all three bidders to come up with the best presentation that they could provide on the general concept.

Mr. Victor Bacigalupi of Victor Bacigalupi & Associates said his concern was with the language. He said that a clarification was needed as to whether this limits service to the North Terminal or includes the entire Airport. He said that if service were limited to a system in the North Terminal, it would not be able to develop the highly sophisticated service the Airport desired.

Commissioner Kadish asked if this item only concerned the North Terminal and how was that decision arrived at.

Mr. Heath said that the Airport had the option to extend the service to all terminals in one bid if the quality of service met with the approval of the Airport. A letter was submitted to the Commission.

Mr. Bacigalupi submitted a letter to the Commission which is attached and included by reference.

Mr. Bacigalupi said that in talking with staff regarding the type of units desired, he found it very difficult to see how they could be built, not simply because of the dollar amount but to give the kind of service that the Airport wants, a 5-year contract would be necessary. He said that other airports have gone out and employed a firm; and it was his recommendation that the Airport find out who could do the best job and give them the contract.

Commissioner Goosby asked about the language of the Charter, and whether there were any means of dealing with these kinds of services.

Mr. Don Garibaldi, Airports General Counsel, said that there is a similar situation in dealing with the Garage and that his attorneys were checking on the situation.

Commissioner Kadish said that the Airport should look into the various legal possibilities that are available to the Airport for dealing with this particular kind of service.

Mr. Hart of Hart and Johnson spoke next, indicating that he felt it necessary that any lease be given for at least five years.

Mr. Jack Vance of TDI said that he shared the opinions of his associates. He said that the companies believe that they could work toward the service goal set by the Airport, but it could not

be done within two years. He suggested that in meetings with Airport staff, these items should be discussed.

Commissioner Goosby said that he felt two years is too short a period of time.

The matter was put over until the September 19 Commission meeting.

* * *

- (6) Resolution Approving Professional Services Agreement with Harold Hecht.

On motion of Commissioner Coblenz, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

No. 78-0235

Mr. Hecht will provide services in connection with concession selection in the terminals and with training of Airport staff personnel in retailing activities. The term of the agreement, unless extended, ends June 30, 1979, and the total amount payable for services and expenses is not to exceed \$27,500.00.

Mr. Heath explained that Mr. Hecht is the consultant who is a specialist in retail concessions and that the Airport has been very impressed with him. He said that the contract form in the Commissioner's packages is not the final form, but that he was asking for Commission approval in principle so that the Airport can get Mr. Hecht on board as soon as possible.

Mr. Singer said that there was only one area left undetermined, namely the manner in which the fee would be paid; the total amount to be paid would not change.

Commissioner Kadish asked where the money would be coming from.

Mr. Singer said that the staff would be bringing to the Commission a request for a supplemental appropriation for consulting services. He said that there was some money in the present budget, which has been approved already but it is insufficient for the Hecht contract.

Commissioner Goosby asked if staff was making their request large enough so that the request would include the Hecht contract and any other consulting contracts which were cut out of the budget last March or April.

Commissioner Kadish said that that would have to be clearly specified.

* * *

- (7) Consideration of Valet Parking Service and Determination of Future Policy with Respect to its Continuation.

On motion of Commissioner Goosby, seconded by Commissioner Kadish, the following resolution was unanimously adopted as amended:

No. 78-0236

Consideration of Valet Parking Service and Determination of Future Policy with Respect to its Continuation.

Commissioner Kadish suggested that the Commission adopt the resolution with the following change to the first 'Resolved' paragraph:

"Resolved, That this Commission feels that valet service may be a desirable convenience to one segment of the Airport public which should continue to be offered to passengers, but which should be operationally analyzed to determine the possibility of accommodating the public in this manner in such a way as to eliminate the existing curb space usage and assure a profit-making basis; and be it further"

Mr. Russell W. Presting asked for further clarification regarding the valet service. He said that the current method of operation of valet service is different from the way it has been operated in the past. He said that the Airport might consider another way of operating it.

Commissioner Kadish said that that is what the Commission is doing.

Mr. Heath said that he would appreciate it if Mr. Presting would provide staff with those details.

* * *

Director's Reports

D. Corporate and General Aviation

On motion of Commissioner Coblenz, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

No. 78-0237

Request that the Airports Commission adopt a policy that General Aviation will not be encouraged and there will be no expansion of General Aviation facilities at SFIA in the foreseeable future.

Mr. Heath said that he was including the resolution for discussion purposes only following a discussion with Butler Aviation. He said that he told Butler the Airport did not have any additional land for general aviation purposes and the Airport was awaiting the final outcome of the land use study.

Commissioner Coblenz said that he believed the Commission should pass the resolution to let Butler know now that there will be no additional land.

A. Presentation by Interactive Resources, Inc.

Mr. Dale Sartor of Interactive Resources, Inc. gave a presentation on the Solar Energy Feasibility Study. He said that the proposal his firm had prepared on behalf of the Airport and submitted to the Department of Energy had not been funded. He said that in his opinion the reason why it was not funded was because the Airport had only agreed to funding 15% of the cost and that if it were re-submitted, the Airport might get it funded if it agreed to a 50% cost share.

Mr. Sartor said that he recommended that all future construction at the Airport include solar energy.

Commissioner Kadish said that the Airports Commission had been given no progress reports until they received the final report. She said that when Interactive Resources was authorized to apply for the grant, the Commission was never informed of its progress. She said that it was that kind of information which is important because the Commission can be helpful in pushing for positive consideration of any grant that the Airport would receive. She said that she felt there was a distinct lack of information on two levels related to the report and the subsequent turn down: information should have been made available to the Commission as to the reality of the proposal being funded; and the Commission should have been informed as to how it could be of assistance in obtaining funding.

Commissioner Goosby asked how the Interactive Resources work relates to the work Beverly Willis is doing.

Mr. Heath said that she was hired to set up specifications and the information gathered by Interactive Resources should be submitted to Willis and Associates.

B. Management Report: Keeping the Airfield Functional.

Mr. Roy Samuels, Assistant Deputy Director for Operations, reported on various aspects of the operation program, particularly the airfield safety program.

C. Selection of a new representative from the Airports Commission to the Joint Powers Board conducting the San Francisco - San Mateo County Joint Land Use Study.

Selection of a new representative for the Joint Powers Board was put over to the next meeting.

* * *

Communications

The communication information was inadvertently left out of the Commissioner's packets. (The information was subsequently forwarded to Commissioner's on September 11.)

* * *

Executive Session

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was unanimously passed:

No. 78-0238

Resolution requesting Airports Commission to approve a claim settled with F. P. Lathrop Construction Company in the amount of \$144,000.00

* * *

Adjournment

There being no further business before the Commission, the meeting adjourned at 4:30 p.m.



Eric Craven
Secretary to the
Airports Commission

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

September 19, 1978

GEORGE R. MOSCONE, MAYOR

COMMISSIONERS

RUTH S. KADISH
President

MORRIS BERNSTEIN
Vice-President

WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING

September 19, 1978

Call to Order:

The regular meeting of the Airports Commission was called to order at 2:30 p.m. in Room 282, City Hall, San Francisco, CA.

Roll Call:

Present: Commissioners Morris Bernstein,
Ruth S. Kadish, William K.
Coblentz, Zuretti L. Goosby.

Absent: None.

Oath of Allegiance: Led by Commissioner Coblentz.

Agenda Items:

1) Resolution Selling \$90,000,000.00 Principal Amount of San Francisco International Airport Revenue Bonds, Series B.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolutions were unanimously adopted:

No. 78-0239 Bids were received for the sale of these bonds as authorized by Airports Commission Resolution No. 78-0229, sale of the bonds to the highest bidder approved.

No. 78-0240 Supplemental appropriation in the amount of \$385,665.00.

Commissioner Coblentz stated that this was received by the Commission in draft form prior to this meeting.

Mr. Richard Heath, Director of Airports, said that the overall rate of 6.3% interest that the Airport will pay is substantially below what was expected. He said that it is also below what the bonds would have sold for in May, 1978. He said that half of the cost of the maximum year's debt service will be funded out of the bond proceeds and the other half will come from Airport revenues over a five year period. Mr. Heath said that the supplemental appropriation is required to cover the payments due from December 1, 1978 through June 30, 1979.

Mr. Lilly of San Francisco Tomorrow stated that he would like to object to the sale of these bonds. He said that voters were told Proposition C would not be used for Airport expansion. He said that Mr. Harold Rossman, attorney for San Francisco Tomorrow, would show that the money will be used for expansion. He said that the sale places the general fund at a substantial risk, and felt that the dispute remains the same today as it did when the sale was cancelled in April. He then asked Mr. Rossman to speak.

Mr. Rossman said that Mr. Lilly had covered the primary concerns. He stated that the State Air Resources Board (ARB) has found fault with the Airport program and he referred to a letter dated September 14 (which is attached and included by reference) in which the ARB says that the bond statement shows that funds may be used for expansion. He said that San Francisco Tomorrow is not trying to prevent the bond sale rather only to delay it until the statement is corrected.

Commissioner Kadish commented that San Francisco Tomorrow is not the only group that is concerned with environmental degradation. She said that their statement implied that since San Francisco Tomorrow is against environmental degradation the Commission is for it. She said that she hopes that that is not the kind of statement being implied here. She said that regarding the Modernization and Replacement Phase of the Airport program, it would be a great degradation to the environment to allow the piers to continue to sink. She said that San Francisco Tomorrow is concerned with the number of passengers, but the Commission is interested in hearing a legal method to stop the 24 millionth and first passenger from coming to the Airport.

Mr. Lilly said that the Airport has been soliciting passengers at its facility in statements before the CAB. He said that expanding the Airport beyond 24 million passengers is not in conformity with the Regional Transportation Commission's recommendations and that the Airport should act in concert with regional planning agencies.

Mr. Heath said that he wishes that San Francisco Tomorrow would be a little more careful with facts because the Regional Transportation document projects 31 million passengers in 1990. He said that the Airport is now operating with facilities designed for 12 million passengers; and that the improvement of outdated structures is not environmental degradation. He denied that the Airport had solicited business by its legal action before the CAB, but rather that the Airport has looked at the consequences of shifting flights to Oakland. He stated that this has all been discussed many times and that a lot of effort is being misdirected. (A letter reflecting some of those concerns is attached and included by reference.)

Commissioner Coblentz asked if anyone had heard from the S.E.C.

Mr. Heath said that the staff has prepared a response to the S.E.C. He said that discussions had gone on by phone and written responses will be delivered to the S.E.C. by the next afternoon. He said that no more questions were expected from the S.E.C.

Mr. Heath said that the Air Resources Board has no jurisdiction in these matters. He said that the statements referred to would have been taken into consideration in the processing of the EIR and that the ARB's letter expresses the same concerns as San Francisco Tomorrow. He said that he has not heard from Mr. Quinn.

Mr. Rossman said that there is a procedure whereby the environmental concerns can be resolved; that there should be an environmental assessment. He asserted that passenger levels can be kept down by design.

Commissioner Bernstein said that he has never seen a plan submitted by San Francisco Tomorrow to provide a solution.

Commissioner Coblentz said that all these questions have been before the Commission previously and that the Airport has already gone through litigation on this and other matters. He said that the matter should be voted on.

Mr. Heath said that an aye vote would mean a vote in favor of accepting the sale of bonds as well as the supplemental appropriation.

* * *

Bid Call, Airport Contract No. 936, Industrial Waste Treatment Plant.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

No. 78-0241

Resolution approving the final plans and specifications and authorizing the Director of Airports to call for bids for Airport Contract No. 936, Industrial Waste Treatment Plant.

Mr. Heath said that this is a resolution approving the final plans.

Commissioner Goosby asked if the bid documents would be checked by the Human Rights Commission.

Mr. Heath said that they would be checked.

* * *

Bid Call, Airport Contract No. 1149, Relocation and Installation of Taxiway Guidance Signs.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish, the following resolution was unanimously adopted:

No. 78-0242

Resolution approving the final plans and specifications and authorizing the Director of Airports to call for bids for Airport Contract No. 1149, Relocation and Installation of Taxiway Guidance Signs.

Mr. Heath said that this is a proposal to go out to bid on taxiway guidance signs and that it will be funded through the ADAP program. He said that the estimated cost is \$54,000.

Commissioner Goosby asked if ADAP means that it is federally funded.

Mr. Heath said that it did but that the Airport has to spend the money first and would then be reimbursed.

Commissioner Coblentz mentioned that he noticed that the arrival and departure signs on the roadways are the same color and that they should be different.

Mr. Heath said he will look into it.

* * *

Bid Call, Airport Contract No. 1187,
Security Check Point at Connector and North Terminal.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish,
the following resolution was unanimously adopted:

No. 78-0243

Resolution approving the final
plans and specifications for
Airport Contract No. 1187,
Security Check Point at Con-
nector and North Terminal.

Mr. Heath said that this is a special bid in the North Terminal
that came up after the major construction was already completed.
He said that this is a separate bid, not a modification.

* * *

Professional Services Agreement, Modification No. 4,
Hogan and Hartson.

On motion of Commissioner Coblentz, seconded by Commissioner Kadish,
agenda item (5) was discussed and subsequently removed from the
calendar.

Resolution approving Modification
No. 4 to agreement with Hogan and
Hartson, Washington, D.C., for
service as Special Counsel.

Asked by Commissioner Coblentz if there was triple representation
by one firm and what hourly rate was being charged, Mr. Heath re-
sponded that he will learn whether they represent other airports.

Don Garibaldi, Airports General Counsel, said that \$60.00 per hour
was being charged.

Mr. Heath said that this was a regular rate in Washington, D.C.

Commissioner Coblentz said that \$60.00 would not get a top attorney.
He suggested that the Airport might use a City Attorney. Addition-
ally he said that the Airport should do research to find out what
Los Angeles International does.

Commissioner Goosby suggested research of Oakland Airport regarding
this matter.

Mr. Heath added that he knows that one of Hogan and Hartson's at-
torneys is a young but capable attorney who has served as General
Counsel for the CAB. Mr. Heath said that he feels that the need
for a representative in Washington is declining, but said that he
would get more information about the matter.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Kadish,
the following resolutions were placed before the Commission for dis-
cussion and subsequently items (6) and (9) were unanimously approved:

Modification No. 33 (Debit), Airport Contract No. 1000,
Garage: Stage IV - Superstructure Addition, \$60,800.00.

No. 78-0244

Resolution approving and request-
ing the Controller's certification
of Debit Modification No. 33 to
Airport Contract No. 1000, in the
total amount of \$60,800.00.

Modification No. 34 (Debit), Airport Contract No. 1000,
Garage: Stage IV - Superstructure Addition, \$65,445.00.

Resolution approving and requesting the Controller's certification of Debit Modification No. 34 to Airport Contract No. 1000, in the total amount of \$65,445.00.

Modification No. 35 (Debit), Airport Contract No. 1000,
Garage: Stage IV - Superstructure Addition, \$23,595.00.
Ratifying action of the Director of Airports on Change Orders.

Resolution approving and ratifying the action of Director of Airports in approving Change Orders 88 through 91 and requesting the Controller's certification of Modification No. 35 to Airport Contract No. 1000, in the total amount of \$23,595.00.

Modification No. 9 (Debit), Airport Contract No. 1015,
Garage: Stage V - Final Modifications, \$21,992.00.

No. 78-0245

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders 17 through 20, and requesting the Controller's certification of Modification No. 9 to Airport Contract No. 1015, in the total amount of \$21,992.00.

Commissioner Goosby stated that the Commission was only voting on items 6 and 9; item 7 was put over to Executive Session and item 8 was removed from the calendar.

* * *

Modification No. 2, Airport Contract No. 980,
North Terminal Complex - Carpeting (Progress Payments).

On motion of Commissioner Kadish, seconded by Commissioner Coblenz, the following resolution was unanimously adopted:

No. 78-0246

Resolution approving and requesting the Controller's certification of Modification No. 2 to Airport Contract No. 980, North Terminal Complex - Carpeting.

Mr. Heath said that this resolution would allow additional time on this contract and would save about \$35,000. He said that the contract provides that carpeting would be installed by now; but if it had been installed, due to other construction delays it would have gotten soiled and needed to be cleaned. He said that the rolls of carpet are stored and the carpet has been inspected, rolled up although not unrolled. The contractor is responsible for an defective carpet.

Commissioner Bernstein added that the Airport would be protected in case of fire.

* * *

Section of Officers

A motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was adopted:

0. 78-0247

Resolution electing Ruth S. Kadish as President and Morris Bernstein as Vice President of the Airports Commission.

Commissioner Goosby congratulated the new officers.

Mr. Heath extended congratulations on behalf of the Airport staff, stating that they have enjoyed working with Commissioner Bernstein and Commissioner Kadish for the past year and that while they were switching chairs, their effective roles would not change radically.

Commissioner Bernstein added his congratulations and mentioned that he believes Commissioner Kadish will be the first female president of a major commission.

Commissioner Kadish pledged to continue working hard with everyone involved. He stated that no job is a one-person job, that she was looking forward to getting a new Commissioner next month and that she is looking forward to a good year.

* * *

Director's Report:

1. United Airlines Building Discussion

Mr. Heath said that United had approved the main building but there had been a dispute about sub-buildings. He said that this dispute had been resolved and that the placement is the same, but the facade blends in more. Mr. Heath asked if Mr. Jan Blais of United or Len Blackford of Airport Architects would like to comment. They declined.

Commissioner Kadish said that the Commission is concerned with the blending of function and aesthetics.

2. Letters of Commendation

Mr. Heath read a letter from Madeline Feis, commending the Airport on its operation.

Commissioner Kadish read a letter from the League of Women Voters. She said that they were impressed with the smooth flow of the traffic despite the on-going construction.

Commissioner Bernstein joked that he had received a letter of commendation from Mrs. Richard Heath.

3. Art Commission Maquette

Mr. Heath said that he had written the Art Commission and that a maquette will be submitted to the Airport by mid-September. He said that the proper media would be notified so that they can be at the presentation, probably at the October 3rd meeting.

Commissioner Kadish asked that a letter be sent to Freda Koblick asking her to be present at the next Commission meeting.

4 Calendar Item (7)

Russell W. Presting, Manager, Lick Garage, asked for an explanation of item 7.

Mr. Heath said that this concerns Contract 1000. He said that it arises because sections of the garage will be opened as they are completed. He said that this would result in savings of \$65,000 to the contractor and the revenue from these spaces will be more than the modification cost.

. Progress Report on North Concourse Display

Jason Yuen made a report on the display cases next to the moving sidewalk in Pier B. He said that they include posters from ACT, Civic Light Opera, cultural events, the Exploratorium, ballet, symphony, opera, the zoo, the American Institute of Architects, children's art and the Fine Arts Museum. He said that there will also be a Freedom Shrine display.

Commissioner Kadish thanked him for the presentation and added that he should contact the Museum of Modern Art.

Mr. Yuen replied that he was waiting for a response and will follow up on them.

Commissioner Goosby suggested a letter of thanks be written to those who donated to the exhibit.

5. Host Agreement for North Terminal

Commissioner Kadish said that she met with Mr. Varner of Host and that he agreed that only fresh seafood would be served; that initial prices and any subsequent changes in prices would require Commission approval; that in the cappachino room only high quality pastries would be served; and that these would be delineated in a special agreement. She asked Mr. Heath to prepare such an agreement.

Commissioner Goosby asked if Commissioner Kadish and Mr. Varner had discussed take-out food.

Commissioner Kadish said that they had only discussed the food service at this point.

Commissioner Goosby asked if Host would be willing to have a training program.

Commissioner Kadish replied that she had only discussed quality control, but she had suggested the use of Community College trainees and is continuing discussion with Host about it.

Mr. Heath said that Host had indicated that they would consider such a program.

Commissioner Kadish said that she promised that the Airport would quickly transmit any specific food complaints to them.

Mr. Heath said that he assumed that the Commission wants the special space permits brought back for review at the next meeting.

Commissioner Kadish said that the draft should be formulated, shown to the Commission and then sent to them.

ommunications

here was no discussion of the communications to the Commission.

Executive Session

The Commission then went into Executive Session.

The following items were moved by Commissioner Goosby and seconded by Commissioner Coblentz and passed unanimously:

Modification No. 34 (Debit), Airport Contract No. 1000,
Garage: Stage IV - Superstructure Addition, \$65,445.00.

o. 78-0248

Resolution approving and requesting the Controller's certification of Debit Modification No. 34 to Airport Contract No. 1000, in the total amount of \$65,445.00.

Airport Contract No. 650C, Completion of North Terminal Building
Modification No. 41 (Debit), \$96,715.29.

o. 78-0249

Resolution approving and requesting the Controller's certification of Debit Modification No. 41 to Airport Contract No. 650C, in the total amount of \$96,715.29; payment of \$2,221,050.09 and approval of list of deferred items.

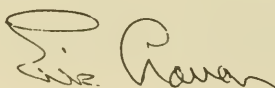
Airport Contract No. 950, Boarding Areas H & I and Connection,
Modification No. 30 (Debit), \$136,871.58.

o. 78-0250

Resolution approving and requesting the Controller's certification of Debit Modification No. 30 to Airport Contract No. 950, in the total amount of \$136,871.58; payment of \$2,320,511.55 and approval of list of deferred items.

Adjournment

There being no further business, the meeting adjourned at 4:40 p.m.



Eric Craven
Secretary to the
Airports Commission

RESOURCES BOARD

STREET
BX 2813
SANTO, CA 95812
6 322-2884



September 14, 1978

Mr. Steven N. Machtinger
Staff Attorney
Securities and Exchange Commission
Federal Building
450 Golden Gate Ave., Box 36042
San Francisco, CA 94102

Dear Mr. Machtinger:

I have reviewed the latest Official Bond Statement for the sale of San Francisco Airport revenue bonds in the amount of \$90 million and find the statement false and misleading and therefore not in accord with SEC disclosure requirements. While the statement indicates that the "Airport Commission and its staff coordinated its planning efforts with various federal, state and regional groups to insure that all of the Program was acceptable to these planning authorities," the program remains decidedly unacceptable to the Air Resources Board due to air quality considerations.

As previously stated by our agency, the Environmental Protection Agency, and the Bay Area Air Pollution Control District, the San Francisco Bay Area Air Basin is a nonattainment area for carbon monoxide (CO) and oxidant (Ox) so that reductions in emissions of CO and hydrocarbons are necessary for the attainment of state and national ambient air quality standards. The airport project is designed to encourage additional vehicular traffic (i.e., by providing a five-level, 4,000 space parking structure) and does not adequately commit to providing mass transit and other less polluting forms of public transportation.

As the agency responsible for preparation of the State Implementation Plan required pursuant to the Clean Air Act, the ARB asseverates that this project will interfere with the attainment of air quality standards and is inconsistent with the SIP. The project also runs contrary to the efforts

September 14, 1978

of the many state, regional and local agencies which, under the lead of ABAG, are currently preparing a nonattainment area plan for submittal to the EPA on January 1, 1979 as an SIP revision. The excess emissions from this source will have to be compensated for by more stringent controls on industrial sources which could have a negative effect on the region's economy.

We feel that the continued opposition of the ARB and other agencies to this environmentally unacceptable project must be revealed in the Bond Statement so that prospective purchasers will have a balanced view of what is in fact the situation. We appreciate the opportunity to express our concerns to you and hope they will be taken into consideration.

Sincerely,

Leslie Krinsk

Leslie Krinsk
Staff Attorney

cc: Dr. Marjorie Evans

ORRICK, HERRINGTON, ROWLEY & SUTCLIFFE

COUNSELORS AND ATTORNEYS AT LAW

ELEVENTH FLOOR

600 MONTGOMERY STREET

SAN FRANCISCO, CALIFORNIA 94111

OF COUNSEL
GEORGE HERRINGTON
A. DOWNEY ORRICK
NATHAN D. ROWLEY

CABLE "ORRICK"
TELEX 34 0973

September 19, 1978

David Goss
Staff Attorney
Securities and Exchange Commission
Box 36042
San Francisco, California 94102

Re: San Francisco International Airport
Revenue Bonds, Series B

Dear Mr. Goss:

Today I conferred with Donald J. Garibaldi, Airport General Counsel and member of the City Attorney's staff, concerning Leslie Krinsk's letter to Mr. Machtinger of September 14, 1978 (copy attached).

You requested that we comment on the allegations made by Ms. Krinsk insofar as they may relate to the disclosure requirements of the federal securities laws. Mr. Garibaldi and I believe that Ms. Krinsk's letter does not contain any information which is material from the standpoint of the Official Statement. We continue to believe that there has been full compliance with the disclosure requirements of the securities laws.

Ms. Krinsk's letter appears to claim that the airport expansion program referred to at pages A-4 to A-5 of Appendix A to the Official Statement (Appendix A is the report of the independent airport consultant) was unacceptable to the State of California Air Resources Board. It should be noted that Appendix A does not mention the Air Resources Board by name and does not assert that the program was or is acceptable to that agency.

At page 10 of the Official Statement it is stated that all requirements of the National Environmental Protection Act are being met and the required Environmental Impact Statement has been submitted and approved. In connection with that approval by the Department of Transportation, Federal Aviation

David Goss
Page Two
September 19, 1978

Administration (which has jurisdiction over the airport), various state and other agencies commented on the environmental aspects of the program. Copies of letters from the Air Resources Board dated July 19, 1976 and August 4, 1975 are enclosed. These and other comments were considered when the program was approved. The airport does not believe that the Air Resources Board is required to approve the program as a condition of its implementation.

If you have any further questions concerning this matter, please do not hesitate to contact Mr. Garibaldi or me.

Very truly yours,

WILLIAM E. DONOVAN
William E. Donovan

Enclosures

cc: Arnold H. Happeny
David I. Kroopnick
J. Peter Singer
Herman Zelles
Donald J. Garibaldi

memorandum

Claire T. Dedrick
Secretary for Resources
Resources Agency
1416 Ninth Street
Sacramento, CA 95814

Attention: L. Frank Goodson

Air Resources Board

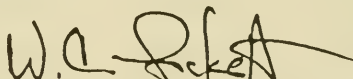
Date : July 19, 1976

Subject: San Francisco
International
Airport-Development
Program - Burlingame
San Mateo County
SCH. No. 76060841

The subject environmental impact statement closely resembles the draft environmental impact report submitted in July 1975. In our earlier comments, attached, we questioned certain conclusions and assumptions utilized in the air quality analysis. Specifically, we questioned the assertion that "... air travel demand at SFIA can be expected to be the same in future years whether or not the proposed terminal complex expansion is implemented" (p. IV-4). It is our view that expansion of the proposed terminal will facilitate air travel demand. Regardless of which statement is correct, however, the proposed project represents an excellent opportunity to reduce air pollution in the Bay Area through alteration of the existing ground access infrastructure.

As presently proposed, the desired airport expansion promotes and expands the continued dependence of the private automobile as the primary mechanism transporting people to and from the airport. This reliance runs counter to the goal of attaining and maintaining clean air in the Bay Area. It is recommended, therefore, that the proposed project be modified such that alternative ground transportation systems, such as BART, are expanded and substituted for the private automobile to the highest extent feasible. It is very important that the decision makers consider carefully all alternative modes of transportation to and from the airport. Air quality is a major health problem in the Bay Area and needs to be viewed as a limited resource. All efforts need to be implemented if the present air quality is to improve significantly.

II-1-3


William C. Lockett, Chief
Evaluation and Planning

Attachment

cc: W. H. Lewis, Jr.
M. Nichols

RECEIVED

Office of Planning & Research

III-65

Honorable Ronald Robie, Director
Department of Water Resources
1416 Ninth Street
Sacramento, CA 95814

Attention: Mr. Ken Fellows

Original Signed by
William C. Lockett
William C. Lockett, Chief
Evaluation and Planning

August 4, 1975

Airport Development
Aid Program, San Francisco
International - San Mateo
San Francisco County
SCH. Nos. 75071502 and
75071584

The subject project consists of the proposed expansion for San Francisco International Airport (SFIA) and includes the following major elements:

1. Improvements to the existing terminal building.
2. Addition of new boarding areas and apron.
3. Addition to the existing parking garage.
4. Modifications to the existing airfield apron and taxiway system.

The purpose of this project is to accommodate the current and future passenger demand at SFIA. "This proposed airport expansion will enable SFIA to fulfill its designated regional role of accommodating 33 million annual passengers." (page I-5). The SFIA forecasts of aviation demand has been projected to be the following:

	<u>Passengers</u>		
	<u>1974</u>	<u>1982</u>	<u>1990</u>
Total in and out	17,400,000	26,200,000	33,300,000
On and off	16,200,000	24,400,000	31,000,000
	<u>Operations</u>		
	<u>1974</u>	<u>1982</u>	<u>1990</u>
Air carrier	287,490	291,400	285,100
Total	334,000	367,640	361,340

As indicated from the above forecast, the total number of aircraft operations will decrease as the percentage of large wide-bodied aircraft increases. This change in aircraft mix will require airside facility expansion to accommodate the larger aircraft.

August 4, 1975

In regard to air quality, the environmental impact report (EIR) presents a detailed and comprehensive air quality analysis. The report evaluates six scenarios and demonstrates the air quality impact of each.

Scenario	Time Frame	Airport Configuration	Annual Air Passenger Demand Millions
1	1974	Existing	16.2
2	1982	No Further Development	24.4
3	1982	Proposed Development	24.4
4	1990	No Further Development	31.0
5	1990	Proposed Development without BART	31.0
6	1990	Proposed Development with BART	31.0

The dispersion models employed in the air quality impact analysis include a modified version of an EPA sponsored airport model (AREC) and an EPA line source model (HIMAY). Together, these two models were used to estimate future emissions from airplanes and motor vehicles (MV). Application of the two models to the subject project indicated that the total airport-related emissions would decrease even though vehicle miles traveled (VMT) will double. This decrease was attributed to the anticipated reduction of MV emissions.

The EIR concludes the following (page D-50):

The proposed airport development program will not aggravate the air quality conditions at the airport or in adjacent communities. In fact, if further airport development does not take place a deterioration of local air quality will result due to increased vehicle congestion at the existing terminal curbside and extended aircraft idle time at apron gate areas. The addition of the North Terminal will add significantly to usable motor vehicle curb frontage, thus permitting more efficient vehicle flow, less congestion and reduced idle times. Additional aircraft gates, particularly those for wide-bodied aircraft, will permit more efficient operation at apron and taxi areas, which in turn will result in less air pollution.

... total airport-related emissions will be reduced from approximately 105 tons per day in 1974 to approximately 45 tons per day in 1990.

These conclusions need to be viewed with caution since their accuracy is dependent upon the accuracy of the applied dispersion models. The models are approximations and may not reflect current state of the art development. Recent studies have

August 4, 1975

indicated that the total number of motor vehicle start ups (cold starts) and shut downs (hot soaks) are important factors in determining hydrocarbon emissions and oxidant concentration levels. As motor vehicles become cleaner, VMT and the number of vehicle trips (cold starts and hot soaks) will become increasingly important and will eventually overshadow IV improvements. The models do not seem to reflect this situation.

Furthermore, these conclusions are based on the assumption that aircraft and ground access traffic will be the same in future years whether or not the proposed terminal complex expansion is implemented. It is also assumed that the airport will accommodate the same number of passengers regardless of terminal improvement or expansion. The EIR maintains that (1) the present air carriers would and could "make do" with the available facilities, and (2) air carrier scheduling is motivated by market and fleet inventory considerations rather than by available facilities. The validity of this rationale and the conclusions resulting therefrom are questioned. Doubling the number of passengers without a corresponding alteration of terminal facilities does not seem compatible. In our view, the ability of a passenger terminal to handle passengers has a definite and determinable effect on airport activity. A passenger terminal has a certain fixed amount of space that can be safely and efficiently utilized and an increase or decrease of this space will influence how people make transportation choices. People appear motivated by attractiveness or unattractiveness of transportation modes. As a passenger terminal approaches its saturation limit, its unattractiveness becomes greater and will influence whether, where, when, and how people travel. Expansion of the proposed terminal would clearly stimulate, encourage, and act as an incentive for people to use the airport. No expansion, conversely, would discourage use of the airport and would cause people to consider alternate facilities.

Accordingly, we are unable to accept the rationale that the same number of people will use the airport regardless of its attractiveness. The emission of air contaminants between the expansion and the no expansion situation may be significantly different. It is suggested the project sponsor either validate the assumptions or modify the rationale.

ANTONIO ROSSMANN

ATTORNEY AT LAW

800 PINE STREET

SAN FRANCISCO, CALIFORNIA 94104

(415) 421-8844

015 MULHOLLAND DRIVE
WOODLAND HILLS 91305
(818) 347-1407

1429 E STREET
SACRAMENTO 95814
(916) 441-3770

September 18, 1978

HAND DELIVERY

David Goss, Esq.
Staff Attorney
Securities and Exchange Commission
450 Golden Gate Avenue, 14th Floor
San Francisco, California 94102

Re: Bond Statement of the San Francisco
Airports Commission for offering
dated August 29, 1978.

Dear Mr. Goss:

I am writing in behalf of the San Francisco Ecology Center and San Francisco Tomorrow, to request the assistance of your office in preventing the sale of airport revenue bonds pursuant to the above referenced offering, until correction of that statement to reflect its failure to disclose material fact.

We understand that the airports commission intends to accept bids for this offering tomorrow morning, September 19th, at 11:00 A. M. We also understand that the Air Resources Board of the State of California has communicated to your office, expressing as we do here a conviction that the bond statement is presently inaccurate for failing to disclose material fact.

The bond statement as presently drafted makes no direct disclosure of the passenger capacity which will result from the construction that these bonds are to underwrite. The statement does, however, attempt to create an inference that these bonds will permit and authorize further expansion of the San Francisco airport:

"The new facilities will allow full utilization of wide-bodied aircraft with attendant reductions in numbers of flights needed to handle the passenger load projected through 1990 when the airfield capacity is expected to be reached." (Page A-5, August 29, 1978.)

Interestingly, the previous bond statement, withdrawn by the airports commission before sale, in place of the above quoted language contained the following:

"The new facilities will allow full utilization of wide-bodied aircraft with attendant reductions in numbers of flights needed to handle 31 million passengers per year."
(Page A-5, April 4, 1978.)

This change in text is not accidental, but rather represents the city's deliberate attempt not to disclose that which it must disclose, namely, that the voters' authorization for these bonds expressly forecloses their use in expansion beyond 24,000,000 airline passengers. When a representative of San Francisco Tomorrow made this point at the Board of Supervisors Finance Committee hearing of August 16, 1978, Supervisor Kopp "directed" that the reference to 31,000,000 airline passengers be deleted from the draft bond statement.

No subsequent city action has produced disclosure of the material fact that these bonds will not permit expansion beyond 24,000,000 airline passengers. This fact must be disclosed, however, for the Board of Supervisors by resolution 380-76 of June , 1976, declared that no new revenue measures would be authorized for expansion of facilities at San Francisco International Airport beyond "more than 24,000,000 passengers per year;" in this resolution the Board of Supervisors recognized that expansion to 31,000,000 annual passengers would produce undesirable environmental effects.

When the city through its Board of Supervisors and airports commission sought voter authorization to sell the \$90,000,000 bond issue whose statement is now before you, the intention to retain the 24,000,000 annual passenger limitation was represented to the voters. The official ballot analysis stated, with respect to the airport expansion program, that "that expansion program is now either completed or under construction. The next step in the development program is to modernize or replace old facilities." In arguing for approval of the proposition, members of the Board of Supervisors expressly stated that "Proposition 'C' is not an expansion program but merely a reconstruction and remodelling of unsafe and inefficient structures." (San Francisco voter information pamphlet


David Goss, Esq.
Page Three
September 18, 1978

municipal election, November 8, 1977, at p.28-29.)

Despite these limitations on the airport revenue bonds scheduled for sale tomorrow, the bonding statement nonetheless attempts to create an inference that the bonds will be secured by an expanding San Francisco International Airport. Under these circumstances, failure to disclose the limitations presented by the board's resolution and by the representations to the voters who approved Proposition "C" constitutes failure to disclose a material fact, inasmuch as the investors in these airport revenue bonds should be aware at the time of their investment that future income is not predicated upon a continually expanding San Francisco International Airport.

We look to your office for assistance in relief in this matter, mindful of the legal constraints that both federal and California law place upon private interests who seek to prevent the sale of municipal securities under misleading circumstances. We recognize that SEC enforcement provides the simplest and most efficient means of correcting this circumstance. Accordingly, we earnestly request your assistance in preventing the sale of bonds scheduled to take place tomorrow morning and withholding of the offering until circulation of a disclosure statement that does disclose all material facts.

Respectfully submitted,



Antonio Rossmann,
Attorney for San Francisco
Ecology Center and San
Francisco Tomorrow

AR:pb

cc: San Francisco Airports Commission

ORRICK, HERRINGTON, ROWLEY & SUTCLIFFE

COUNSELORS AND ATTORNEYS AT LAW

ELEVENTH FLOOR

600 MONTGOMERY STREET

SAN FRANCISCO, CALIFORNIA 94111

OF COUNSEL
GEORGE HERRINGTON
A. DOWNEY ORRICK
NATHAN D. ROWLEY

CABLE "ORRICK"
TELEX 34 0973

September 19, 1978

David Goss
Staff Attorney
Securities and Exchange Commission
Box 36042
San Francisco, California 94102

Re: San Francisco International Airport
Revenue Bonds, Series B

Dear Mr. Goss:

Today I conferred with Donald J. Garibaldi, Airport General Counsel and member of the City Attorney's staff, concerning Mr. Antonio Rossmann's letter of September 18, 1978 (copy attached).

You requested that we respond to the allegations insofar as they may relate to the disclosure requirements of the federal securities laws. Mr. Garibaldi and I are completely satisfied that Mr. Rossmann's allegations are groundless and that there has been full compliance with the disclosure requirements of the securities laws. Our comments on the various allegations follow. We would be pleased to meet with you to review these comments and any other questions you may have.

Mr. Rossmann basically asserts that the "voters' authorization for these bonds expressly forecloses their use in expansion beyond 24,000,000 airline passengers". Mr. Rossmann is incorrect.

Mr. Rossmann implies that Board of Supervisors' resolution no. 380-76 constitutes a limitation on further expansion. We believe it to be obvious from the resolution (copy enclosed) that the resolution merely urged the Airports Commission (the agency which has actual jurisdiction) to terminate or limit the expansion program. In any event, it should be noted that subsequent to the adoption of that resolution in 1976, the Board of Supervisors submitted to that electorate (and recommended the passage) of Proposition C in 1977, the very bond issue now being sold to finance the Modernization and Replacement Phase of the Expansion Program.

David Goss
Page Two
September 19, 1978

Mr. Rossmann also implies that the statements contained in the Voter Information Pamphlet relating to the November 1977 election somehow provide a specific limit on airport expansion. No such statement appears in the Voter Information Pamphlet (copies of pages 28-31 are enclosed).

If you have any further questions concerning this matter, please do not hesitate to contact Mr. Garibaldi or me.

Very truly yours,

WILLIAM E. DONOVAN
William E. Donovan

Enclosures

cc: Arnold H. Happeny
David I. Kroopnick
J. Peter Singer
Herman Zelles
Donald J. Garibaldi

6/25/76
5/11/76

FILE NO 27-76-3

File Copy Do Not Remove

RESOLUTION NO-380-76

1 URGING THE SAN FRANCISCO AIRPORTS COMMISSION TO TERMINATE OR LIMIT
2 EXPANSION PROGRAM AT SAN FRANCISCO INTERNATIONAL AIRPORT; INDICATING
3 INTENTION OF BOARD OF SUPERVISORS TO AUTHORIZE NO NEW REVENUE
4 PENALTIES FOR OR ON BEHALF OF EXPANSION OF FACILITIES AT SAID AIRPORT.

5 WHEREAS, The Board of Supervisors of the City and County of
6 San Francisco has previously acted to authorize issuance in 1967 of
7 General obligation bonds in the amount of \$143 million, for the purpose of
8 of revenue bonds in the amount of \$143 million, for the purpose of
9 improvement and expansion of facilities at San Francisco International
10 Airport, for a total issuance of \$286 million for such purposes; and
11 AIRPORTS, Increasingly grave concern is being expressed concern-
12 ing the environmental impact which any further expansion of the
13 aforesaid Airport facilities to accommodate more than 24 million
14 passengers per year would involve, such as an increased level of
15 air and noise pollution, and the fact that there is at this time no
16 safe transit ground transportation facility to link the Airport with
17 local and other regional ground transportation systems, as well as
18 the indication that projected expansion plans are predicated on more
19 than doubling the number of passengers served from 14 million
20 annually to 31 million, involving a five-fold increase in consumption
21 of natural gas at the Airport at a time when the nation faces a
22 severe shortage of natural gas; now, therefore, be it
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1 San Francisco International Airport; thus indicating that any future
2 expansion beyond that authorized for air travel facilities within the
3 \$241-million authorized by the Board of Supervisors should be made
4 by other airports of the San Francisco Bay Region; now, therefore;
5 be it
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AIRPORT REVENUE BONDS

Ballot Title

AIRPORT REVENUE BONDS. Shall the Airports Commission of the City and County of San Francisco issue revenue bonds in the principal amount of \$90,000,000 pursuant to the Revenue Bond Law of 1941 to provide funds for acquiring, constructing, improving and developing airport facilities at San Francisco International Airport, including an industrial waste treatment plant, additions to terminals, remodeling and modifications of terminals, baggage handling facilities, boarding areas, aircraft aprons, pedestrian access facilities, parking facilities, engineering and planning expense, and other works, properties or structures necessary or convenient for San Francisco International Airport?

Analysis

By Ballot Simplification Committee

THE WAY IT IS NOW: In 1970, San Francisco voters created the Airports Commission and gave it power to issue revenue bonds to finance airport development. In 1976, the airport sold \$143,000,000 in revenue bonds to begin its present expansion program. That expansion program is now either completed or under construction. The next step in the development program is to modernize or replace old facilities.

THE PROPOSAL: Proposition C would let San Francisco borrow \$90,000,000 to continue airport development by issuing revenue bonds. The money would be used to build a new industrial waste treatment plant to meet State water pollution standards; replace concourses and loading piers which are

obsolete and do not meet today's fire and safety codes; to replace inadequate customs facilities for overseas passengers; and to modernize the 23-year-old Central terminal and the links between the present terminals and the garage. If costs permit, there will also be smaller projects. The revenue bonds will be paid for out of money taken in by the airport.

A YES VOTE MEANS: If you vote yes, you want San Francisco to issue revenue bonds totalling \$90,000,000 to replace and modernize the older parts of San Francisco airport.

A NO VOTE MEANS: If you vote no, you do not want San Francisco to issue bonds for that purpose.

Controller's Statement on "C"

City Controller John C. Farrell has issued the following statement on the fiscal impact of Proposition C:

Should the proposed revenue bond issue be authorized and when all bonds shall have been issued on a thirty year basis, and after consideration of the interest rates related to current municipal revenue bonds and sales, in my opinion, it is estimated that approximate costs would be as follows:

Bond Redemption	\$ 90,000,000
Bond Interest	83,700,000
Total Debt Service Requirement	<u>\$173,700,000</u>

Based on a two year construction program the

estimated average amount required to pay the interest thereon and the redemption thereof, would be approximately \$5,603,000 annually for thirty-one years.

The revenue bonds are payable from and are secured by a charge on the net revenues of the San Francisco International Airport, and such net revenues are pledged to the security and payment of the bonds. The Airports Commission is not obligated to pay the principal of or interest on the bonds except from net revenues, and neither the credit nor the taxing power of the City and County of San Francisco is pledged for the payment of the principal of or interest on the bonds.

How Supervisors Voted On "C"

July 25 the Board of Supervisors voted 8-2 on the question of placing Proposition C on the ballot. The Supervisors voted as follows:

YES: Supervisors Barbagelata, Francois, Kopp,

Mendelsohn, Nelder, Pelosi, Tamaras, von Beroldingen.

NO: Supervisors Feinstein and Molinari.

The resolution was signed by Mayor Moscone on August 4.

ARGUMENT FOR PROPOSITION C

San Franciscans deserve an airport that is uncluttered, efficient, safe, and environmentally sound. Proposition "C" will help accomplish those goals at NO COST TO THE CITY'S TAXPAYERS.

Proposition "C" will:

Construct a waste treatment plant that will finally stop the dumping of Airport pollutants into San Francisco Bay.

Reconstruct and repair many old and deteriorating piers that are unsafe and inefficient.

Rebuild portions of the Customs Area of the Airport which, because of their inadequacy, have caused hours of delay for hundreds-of-thousands of travelers.

Proposition "C" will not:

Mean more noise pollution. Proposition "C" is an expansion program but merely a reconstruction and remodeling of unsafe and inefficient structures.

• Cost the taxpayers a dime. By State law, the only people obligated to pay the cost of Proposition "C" are the various tenants of the Airport—the airlines, restaurants, etc.

• Add to our bonded indebtedness. These are revenue bonds, secured by the income of the Airport, and under no circumstances can the homeowners and renters of the City be held responsible for paying their costs.

To help complete the Airport. To make necessary safety and environmental repairs. WE URGE A "YES" VOTE ON PROPOSITION "C".

Terry A. Francois

Member, Board of Supervisors

Bob Mendelsohn

Member, Board of Supervisors

Peter Tamaras

Member, Board of Supervisors

Dorothy von Beroldingen

Member, Board of Supervisors

ARGUMENT FOR PROPOSITION C

As this City's chief executive, San Francisco's Airport means more to me than a departure and arrival point for approximately 20 million people a year. It is a large enterprise that must be run efficiently, economically, and safely for not only the tourists—our largest industry—but also for the taxpayers of San Francisco. That's the primary reason I strongly urge a YES vote on Proposition "C". Proposition "C" provides funds for building a modern sewage plant that will finally stop the dumping of inadequately treated waste into San Francisco Bay. Using the force of law, a State agency requires that the City build this badly needed plant. Town concerns for environmental quality of the area also require its construction.

Proposition "C" will tear down and replace aging unsafe portions of the Central Terminal which are sinking into the ground and literally falling apart.

All reconstruction will bring the Airport up to meet earthquake, fire, safety, and environmental needs. There will also be special emphasis on using materials and equipment that will result in substantial savings of energy.

And Proposition "C" will reconstruct and rebuild the woefully inadequate Customs section of the overcrowded South Terminal—a facility that handles the bulk of international flights. Passengers, airlines, and even Time Magazine have singled out this facility as totally inadequate.

Most important of all, this necessary remodeling and refurbishing will cost the property taxpayers of this City nothing. All costs of this \$90 million bond issue will be repaid out of Airport revenues—the fees and rents of the airlines, restaurants and other tenants of the facility.

As Mayor, I'm sure you share my interest in having an environmentally sound, structurally safe, energy and economically efficient Airport—an Airport that is not only self-sufficient, but actually contributes millions of dollars each year to the City's general fund.

Those reasons mandate a "YES" vote on Proposition "C".

George R. Moscone, Mayor

Arguments printed on this page are the opinions of the authors and have not been checked for accuracy by any official agency.

C AIRPORT REVENUE BONDS

ARGUMENT FOR PROPOSITION C

Vote "Yes" On Proposition "C"

PROPOSITION "C" IS FREE!!

The proposed Airport Revenue Bonds will be paid only from the rents and fees collected from airlines tenants of the Airport. **THIS BOND ISSUE COSTS YOU, THE TAXPAYER, NOTHING.** State law prohibits property taxpayers from being responsible for retiring these bonds.

PROPOSITION "C" FOR SAFETY AND FOR IMPROVING OUR ENVIRONMENT.

Proposition "C" is needed to replace and strengthen facilities, some of which date back to the piston-engine aircraft era. A portion of these bonds will be earmarked for the necessary State-mandated construction of a sewage treatment plant that will fully stop inadequately treated pollutants from pouring into San Francisco Bay.

PROPOSITION "C" IS NOT EXPANSION.

Proposition "C" will not finance any Airport expansion but, instead, will be used for essential environmental, safety, energy, and convenience improvements to the facility.

PROPOSITION "C" FOR AN EFFICIENT AIRPORT

San Francisco's Airport is self-sufficient. All costs of operating and maintaining the facility (fifth busiest in the U.S.) are paid by the tenants of the Airport. Even the original 1954 construction bond issue, approved by two-thirds of the City's voters, is being retired by Airport revenues and not property taxes. Over \$5 million a year—about .15¢ on the tax rate—is added to the City's general fund from the interest earned on Airport revenues.

John F. Crowley
Secretary-Treasurer
San Francisco Labor
Council
Agar Jaick
Chairman, S.F. Democratic
County Central Committee
Juanita Del Carlo
Benjamin Tom
Board of Education
Jess T. Esteve
William Dauer
Executive Vice President
Chamber of Commerce
Alleen C. Hernandez

Stanley M. Smith
Secretary
Building and Construction
Trade Council
Rev. Victor L. Medaris
Pastor, Double Rock
Baptist Church
Thomas J. Mellon
Chief Administrative Officer
(Retired)
City of San Francisco
Jane McKaskle Murphy
Gary Near
Alessandro Baccari
James Herman
President, ILWU

ARGUMENT FOR PROPOSITION C

Vote "Yes" On Proposition "C"

San Francisco International Airport accommodates millions of passengers every year from overseas. The customs area, however, is a tiny set of offices and very small baggage room which is so cramped, hot, and antiquated that it reminds one of Ellis Island during the early years of this century. It needs rebuilding so badly that U.S. Customs has threatened to close it down unless we correct such degrading conditions. So, too, do we need a sewage treatment plant to stop the dumping of Airport waste into the Bay. Finally, Proposition C will provide

money to repair old, dilapidated piers which are unsafe.

Vote "Yes" On "C"

This is a revenue bond issue. The bonds will be paid by Airport revenues, **NOT** by property taxes. The City is not liable on the bonds. We need these repairs and reconstruction work. Please join me in voting "Yes" on Proposition C.
Quentin L. Kopp
President, Board of Supervisors

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ARGUMENT AGAINST PROPOSITION C

THE CITY CANNOT AFFORD IT!!

- San Francisco has one of the highest per capita indebtedness of American cities.
- The City's top financial advisors (which include the Chief Administrative Officer and Controller) have said this bond is INADVISABLE.
- Not one cent of our Airport's income goes to the City to reduce taxes, yet San Francisco taxpayers would be at risk on these bonds for 30 years.

THIS BOND IS ONLY HALF THE PLAN!!

- The Airport Commission has approved \$170 MILLION—Proposition C is just the beginning! If these bonds pass, the Airport bond debt alone will approach ONE BILLION DOLLARS, including interest (or TWICE the public investment in the much larger LA Airport).

THIS WILL TOTAL \$3220 PER SAN FRANCISCO FAMILY.

WHEN WILL IT STOP?

- We allowed them \$98 MILLION in 1968.
- The Supervisors allowed them \$143 MILLION in 1976.

The new North Terminal will DOUBLE Airport capacity next year! ISN'T THIS ENOUGH?

DON'T BE FOOLED!!

- This bond includes \$3 million for the INDUSTRIAL WASTE TREATMENT PLANT, however Airport officials admit Airport income could finance

EPA TERMED THE EXPANSION "ENVIRONMENTALLY UNSATISFACTORY"

- Air pollution
- Excessive noise
- Congested freeways
- Tripled energy use.

VOTE NO ON PROPOSITION C

Signatures against Proposition C

- | | |
|--------------------------|-------------------------|
| Robert Bahner | Tony Kilroy |
| Susan Bierman | Gordon Lau |
| Charles Bolton | Jerry Levine |
| Dian Blomquist | David Looman |
| Gary Borvice | Bill Maher |
| Gerald Cauthen | Ken McEldowney |
| Reno Cazenave | Mary McMahon |
| Marie Cleasby | Harvey Milk |
| Daniel Clinton | John Molinari |
| Ralph Coffman | Lewis Porter |
| Eleanor Coffman | Richmond Environmental |
| George Colbert | Action |
| Elizabeth Colton | Norman Rolfe |
| Robert Covington | Paul and Prentice Sack |
| Arden Danekas | San Francisco Black |
| Douglas Engmann | Political Caucus |
| Dorothy Erskine | San Francisco Federated |
| David Finn | Young Democrats |
| Ann Fogelberg | San Franciscans For |
| Peter Forney | San Francisco Tomorrow |
| Rita George | John Sanger |
| Ron Green | Bert Schwarzschild |
| Anne Halsted | Carol Ruth Silver |
| Sylvester Herring | Ron Smith |
| Haight Ashbury Community | Sue Smith |
| Development Corporation | Charles Starbuck |
| Terence Hallinan | Zack Stewart |
| William Hanekamp | Arnold Townsend |
| Sue Hester | Dick VanAggelen |
| Tip Hillan | Kathleen VanVelsor |
| John Holtzclaw | Calvin Welch |
| Diane Hunter | Peter Witmer |
| Mark Kaaky | Michael Wong |

Resolution authorizing Proposition C appears on page 86

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SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

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October 3, 1978

GEORGE R. MOSCONE, MAYOR

COMMISSIONERS

RUTH S. KADISH

President

MORRIS BERNSTEIN

Vice-President

WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING

October 3, 1978

Call to Order:

The regular meeting of the Airports Commission was Called to order
at 2:30 PM in Room 282, City Hall, San Francisco, California.

* * *

Roll Call:

Present: Commissioners Ruth S, Kadish,
Morris Bernstein, Z.L. Goosby,
J. Edward Fleishell.

Absent: Commissioner William K. Coblentz.

* * *

Pledge of Allegiance:

Led by Commissioner Fleishell

* * *

Approval of Minutes:

The Minutes of the Airports Commission meeting of August 1, 1978
were approved.

* * *

Secretary's Report:

Mr. Eric Craven, Secretary to the Airports Commission, reported on
items considered, because of the possibility of litigation, and
passed in Commission Executive Session at the Commission meeting of
September 19, 1978 (which report is attached hereto and included by
reference).

* * *

Special Item: Host International.

Mr. Art Spring of Host International gave a report on design concepts for a Seafood Restaurant and an espresso cafe to be built in the North Terminal. He said that this was a follow-up on a presentation he made a few weeks ago. At that time, specifications and functions were approved subject to certain architectural and menu changes. He said that Host had had two additional sessions with the staff and changes discussed with staff were included in the revised designs for both areas.

Mr. Heath said that when these preliminary designs are finished this will come back to the Commission for approval.

Commissioner Kadish said that this is the first step in the direction of having concession facilities that are uniquely related to San Francisco and which will distinguish the Airport from airports in other cities.

Mr. Heath said that he has told the concessionaires that if their facility would fit in any other city, they should go back to the drawing board.

* * *

Calendar Items.

- (1) Bid Call, Airport Contract No. 1171, Enclosure for Unassigned Spaces, Boarding Areas H & I.

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was unanimously approved:

No. 78-0251	Resolution approving the final plans and specifications for Airport Contract No. 1171, Enclosure for Unassigned Spaces, Boarding Areas H & I.
-------------	---

Mr. Heath said that this is a Bid Call for a small contract to enclose certain unassigned spaces not to be used by United on certain levels of Piers H and I. He indicated the involved spaces on a wall chart. He said that these areas are not needed now but may be needed later.

Commissioner Kadish asked if United had the option to cancel their lease of these spaces or if the cancellation came as a surprise.

Mr. Singer, Deputy Director for Business and Finance, said that United had never asked to lease the spaces.

Commissioner Kadish asked how long these temporary partitions are expected to be in place. Mr. Heath said that they would probably be permanent if the area were used for storage; however, if used for equipment storage or lease for another use, they might eventually be taken out.

Commissioner Bernstein asked if it wouldn't be wiser to use removable partitions.

Mr. Heath said that he was not sure that removable partitions would be any cheaper.

Mr. Robert Lee, Deputy Director for Planning and Development, said that fire regulations require a 'one-hour' wall. He said that a cheap wooden wall could possibly be used, but it might not meet the one-hour-resistance-to-fire regulation.

Mr. Heath said that these are exterior partitions, and that they will be exposed to rain and wind.

Mr. Lee said that this is the cheapest construction the Airport could use, sheet rock with plaster over it so that it matches the other finishes.

Commissioner Bernstein asked how large the area is.

Mr. Lee told him that it is 28,000 square feet.

Mr. Heath said that this is the engineer's estimate and that it will be put out to competitive bid.

Commissioner Kadish said that the Commission does not want the partitions to be put up, only to be taken down immediately such as has occurred with Chinese Hospital.

Mr. Heath said that he expected their permanent use.

* * *

- (2) Modification No. 6 and Completion of Airport Contract 937R, Industrial Wastewater Collection System - Phase I, \$74,096.09.

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was unanimously approved:

No. 78-0252

Resolution accepting the work under Airport Contract No. 937R, Industrial Wastewater Collection System Phase I, as satisfactorily completed; approving and requesting the Controller's certification of Credit Modification No. 6 in the amount of \$48,823.63; extending the completion date from June 2, 1978 to August 31, 1978; and approving final payment in the amount of \$74,096.09 in favor of the contractor, M.G.M. Construction Company, P.O. Box 5757, Concord, CA 94524.

Mr. Heath said that this is Modification No. 6 for approval and completion of Contract 937R. He said that it is part of the system that will feed the Industrial Wastewater Treatment Plant that was approved by the Commission last week. He said that the contract amount is \$704,724.00, but that the credit is not a total savings due to the fact that some of the work to be approved on this contract will be shifted to another contract.

Mr. Lee said that the option for a two-year warranty on materials and workmanship begins when the contractor accepts the final payment.

* * *

- (3) Modification No. 2 and Completion of Airport Contract 1098R, Emergency Airfield Pavement Repairs, Fiscal Year 1977-78, \$14,095.62.

On motion of Commissioner Goosby, seconded by Commissioner Bernstein, the following resolution was unanimously approved:

No. 78-0253

Resolution accepting the work under Airport Contract No. 1098R, Emergency Airfield Pavement Repairs, Fiscal Year 1977-78; as satisfactorily completed; approving and requesting the Controller's certification of debit Modification No. 2 in the amount of \$14,095.62 in favor of the contractor, Piombo Corporation, 505 Pico Blvd., San Carlos, CA 94070.

Mr. Heath said that this resolution was for the completion of Contract 1098R. He said that as of June 30, 1978 funds still existed, and that since it was an emergency contract the funds are to be used as the staff sees fit. He said that this resolution will complete the old emergency contract and that another contract will continue emergency repair work.

Commissioner Goosby asked if this new contract has already been approved.

Mr. Lee said that it had already been awarded to the Lowrie Pavement Company. He added that this contract is an emergency one which takes care of repairs that regular Airport maintenance people cannot do.

Mr. Heath said that these contracts are made only for the actual amount of work performed.

Mr. Lee said that the contracts are awarded on a unit price basis, that is, for the weight of asphalt used. He said that night jobs are more expensive so every effort is made to have work done during regular business hours. He said that on the unit price basis, if it is a 30 ton job, the contractor gets paid under a 30-ton bid item and if there is an overrun, at the end of the job there is a final adjustment and the contractor is given the added cost of the overrun.

Commissioner Kadish asked if in other words rough figures are used and subsequently corrected.

Commissioner Bernstein asked if the debits and credits are continuous.

Mr. Lee answered that they are.

Commissioner Fleishell said that the City owns an asphalt plant and asked whether consideration had been given to using this lower cost source of asphalt.

Mr. Lee explained that there was a time factor involved in getting the asphalt from the Department of Public Works' factory to the Airport; that it cools to a certain degree during transport, and that by the time it is delivered and heated again, the total cost of the asphalt would be greater than the present method using Lowrie's product.

Commissioner Kadish requested that Commissioner Fleishell be supplied with figures, in writing, showing the comparative total costs.

Mr. Ron Wilson said that a study has been done regarding transport during peak traffic periods. He said that it takes too long to transport the DPW asphalt since the temperature factor is important, the Lowrie product is less expensive because of its location near the Airport.

Mr. Heath requested that Mr. Wilson supply Commissioner Fleishell with a copy of that report.

* * *

- (4) Modification No. 10 (Debit), Airport Contract No. 1015, Garage: Stage V - Final Modifications, \$133,221.00.

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was unanimously approved:

No. 78-0254

Resolution approving and ratifying Modification No. 10 to Contract No. 1015, Garage: Stage V - Final Modifications, which includes ratification of the action of the Director of Airports in approving Change Order No. 21 in the amount of \$10,000 for a part of this work which was critical to the schedule of construction, plus the inclusion of deleted work from Contract 1000 which the City has received a credit of \$132,254.00. The total amount of Modification No. 10 results in a debit to the City of \$133,221.00.

Mr. Heath said that certain electrical work was deleted from another contract and that it would be handled under this contract. He said that there was a \$132,254 credit to the former contract and that the debit on the latter contract is \$133,210.00; a net cost to the City of \$967. He said that he already approved \$10,000 to keep on schedule because other work depended on it.

* * *

- (5) Approval of Terms and Conditions of Contract for Custodial Services, North Terminal.

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was unanimously approved:

Resolution approving terms and conditions of contract for custodial services for North Terminal and requesting permission from Board of Supervisors to contract with private company for such services.

Mr. Heath said that the staff has discussed for some time the utilization of a private custodial firm. He said that Service Engineers Associates had previously examined the Airport's situation and made an analysis. He said that they determined that the work could be done for \$72,000 less, not because of lower wages, but because of fewer fringe benefits and better management. He said that a complex process under the terms of the Charter is involved in obtaining permission to use a private firm. He said that the Controller's office's approval is needed and that the Board of Supervisor's approval is also needed.

Commissioner Goosby asked why the Charter makes these requirements.

Mr. Heath told him that the Charter requires that when a department goes outside the Civil Service System for staffing, the department must prove that money is being saved.

Mr. Don Garibaldi, Airports General Counsel, said that Civil Service employees must be used to do City work. He said that the ability to use a private firm is a recent addition to the Charter.

Mr. Heath said that private firms could not be used until recently, and that this resolution would allow the staff to go before the Board of Supervisors to get approval and then go forward to let a contract out to bid.

Commissioner Bernstein asked if the contract would be presented to the Commission.

Mr. Heath responded that it would after approval from the Board of Supervisors.

Commissioner Bernstein asked if the cost of the contract was \$73,000.

Mr. Heath responded that no, this was the estimate of savings from use of a private firm.

Mr. James Walsh of Operations stated that the cost of the study was about \$17,500.

Mr. Heath said that he believes a lot of good specifications for cleaning standards have already come from Service Engineer's work.

Commissioner Kadish asked if the contract could be used in the existing terms.

Mr. Heath replied that all the Commissioners had received a copy of the contract and asked if anyone had changes to recommend.

Commissioner Fleishell said that he had only received his material today and had not had the opportunity to review it. He asked how the specifications for performance were obtained.

Mr. Heath responded that they were developed by Airport staff in concert with Service Engineers Associates.

Commissioner Fleishell said that these problems are not unique to SFIA and asked if copies of contracts from other airports had been reviewed.

Mr. Roy Samuels, Assistant Deputy Director, Operations, said that airports often exchange that type of information and that the company presently being used has done this type of work for other airports. He said five other contracts are on file.

Commissioner Fleishell added that Seattle has had the same problems.

Commissioner Kadish said that it is proposed that uniforms be approved by the terminal manager and recommended that instead they be approved by the Director of Airports so that there will be uniformity of outfits throughout the terminals. She also recommended that payment be made by the City to the contractor on a weekly basis. She said that she felt it would be preferable to have it on a weekly rather than a monthly basis so that people who have little capital would have an opportunity to bid on this work. She said that large amounts of capital are needed for a firm to be reimbursed on a monthly basis.

Mr. Heath recommended that the contract should be written to leave the question of weekly or monthly payments dependent on who gets the bid; then there would be lower administrative costs if a company who could make monthly payments was contracted.

Commissioner Kadish agreed, but said that the Commission should not put any roadblocks in the way of new or minority companies bidding on the contract; it should be amended so that would be the alternative.

Mr. Heath said that the contract would be amended to be flexible as to monthly or weekly payments and as to Director approval of uniforms.

Commissioner Goosby said that an important factor in considering a contract bid is the examination of the bidder's history to determine his ability to live up to commitments he makes. He said that as they stood, the bid requirements were very general.

Commissioner Kadish responded that the specific background experience request was near the end of the contract.

Commissioner Goosby said that the more restrictions put on bidders, the higher the lowest bid will be. He cited his experience with the school district. He said that restrictions should be limited to reduce costs and allow opportunities for new and minority bidders.

Mr. Heath said that a list of past experience was required.

Commissioner Kadish said that no background experience is essential because no matter how low the initial costs, the basic requirement is ability to do the job well.

Mr. Heath recommended that a full-time Airport staff member oversee the contract. He stated that supervision will pressure the contractor, resulting in improved performance.

Commissioner Kadish agreed that accountability has to be produced.

Mr. Jesse Martinez of the Human Rights Commission, told the Commission that he appreciated their concern with non-discrimination. He said that the Human Rights Commission would be interested in reviewing potential bidders. He said that he hopes that minority-owned concessions will be considered. He said he had met with staff previously and that he is interested in assisting minority entrepreneurship.

Commissioner Goosby said that there were general laws by which the FAA regulated: the Civil Rights Act, etc. He asked Mr. Martinez if he had additional concerns.

Mr. Martinez said that his concerns were more extensive than federal requirements but that they had already been covered in the discussion.

Commissioner Kadish said that the Commission had previously expressed its wish that the staff work in coordination with the Human Rights Commission on these matters.

Mr. Wilson Chang of ASIAN, Inc. said that he would also like to express his wish that the Commission increase minority involvement in providing Airport services, and that while minority firms probably could not handle a large contract alone that a joint venture with a larger firm should be considered.

Commissioner Goosby asked if a joint venture is obviated by this contract.

Mr. Heath replied that it was not, but that the Commission can only encourage a joint venture, not require it.

Commissioner Fleishell asked what the rights of the Airport are in the event of less than adequate contract performance.

Mr. Walsh said that the Airport can request that the work be re-done, or can fire unsatisfactory employees.

Commissioner Kadish said that there is a provision for breaking the contract within 30 days.

Commissioner Fleishell asked if these provisions are included in this contract.

Commissioner Kadish said that the Airport pays for adequate service and that if adequate service is not provided, the contractor must supply it.

Mr. William Shifford, President of Synpark Corporation, said that a lot of joint ventures with minority firms come about when there was direction from the top executives. He said that minority participation should be greater than the 5 or 10% allotted.

Commissioner Kadish reminded the audience that a few months ago she made the statement that the Commission was not interested in token minority participation.

* * *

- (6) Professional Services Agreement, Modification No. 4, Hogan and Hartson.

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was placed before the Commission for discussion; subsequently it was put over to the next meeting.

Resolution approving Modification No. 4 to Agreement with Hogan and Hartson, Washington, D.C., for service as Special Counsel.

Commissioner Bernstein requested that this matter be put over for two weeks until such time as Commissioner Coblentz and City Attorney David Kroopnick could be present, since they have a particular interest in this contract.

* * *

- (7) Professional Services Contract with Mr. Harold Hecht.

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was unanimously approved as amended:

No. 78-0256

This resolution authorizes the engagement of Mr. Hecht to perform professional services in the area of concession marketing and leasing. The amount of the contract for 1978-79 is \$27,500.00.

Mr. Heath said that Mr. Hecht is presently working as a retail merchandising consultant. He said that Commissioner Bernstein suggested he be hired to provide services for the Airport in the development of concession spaces and the planning and selection of concessions in the North Terminal.

Commissioner Goosby requested that an amendment be made to the Agreement, p. 2, item 3(e), so that item 3(e) would read "(e) Assisting Airport Staff in judging qualifications of bidders including evaluation of past performance and suggesting procedures or business arrangements that may serve to increase minority participation in a successful bidding process." (Additions underlined)

Commissioner Kadish requested that an amendment be made to the first 'Whereas' clause so that it would read "Whereas, The Commission desires to have available at its call the services of a consultant to assist it in determining actions which should be taken to expand the scope and types of appropriate retailing activities, as well as to increase revenue from retailing activities at San Francisco International Airport..." (Additions underlines).

The roll call was made including both additions.

* * *

- (8) Resolution Approving Forms of Agreement and Inviting Bids on Bid Packages A-F for Award of Leases for Operation of On-Airport Automobile Rental Service at SFIA.

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was placed before the Commission for discussion; subsequently it was put over to a future meeting:

Resolution authorizing the Director to invite bids on Bid Packages A through F respectively for the award of those six leases arranging for operation of on-Airport automobile rental services, including the privilege of operating the same, on-Airport land and improvement for automobile service facilities, storage, etc. (Leases A-C only) and on-Airport counter space in the North, Central and South Terminal Buildings, as more fully specified in the lease agreement (Leases A, B, C, D, E & F), all for a term ending February 29, 1984, with provision for a five (5) year option to extend at the sole election of Commission.

Mr. Heath suggested that the Commission not take action on this matter today since some rental companies had voiced objections. He explained the way the leases are structured; he said that there would be 6 firms operating on the entrance roads to the three terminals, but that there is only enough land (for storage of cars, etc.) for three operations. He said that each successful bid would preclude any successive bid to insure that six different companies are contracted. He added that a provision is included that allows for the possible confining of rentals to the left-hand side and checkouts to the right-hand side of the Airport (looking from 101 to the terminals). He said that this is being considered as a way to speed the traffic flow around the terminals, and that a provision is also included that allows the possible institution of a toll on both upper and lower roadway use. He said that a meeting is planned between Airport staff and the car rental agencies and suggested that the lease matter be deferred to the next meeting.

Mr. J. Peter Singer, Deputy Director for Business and Finance, said that he had received word from National, Avis and Hertz that a bid call in October or November would give them sufficient time to make the necessary arrangements for the opening of the North Terminal as scheduled. He said that the results of the scheduled meetings between Airport staff and the rental car agencies will be presented at the next Commission meeting.

Mr. Robert K. Madgett, Director of Properties and Concessions, Western Region, The Hertz Corporation, said that their ability to open on time (if they win a bid) depends heavily on the meeting on Friday with Airport staff. He said they have to protect the \$600,000 in unamortized assets invested in their present operation. He added that there are some questions about the contract. He stressed that Hertz must protect itself.

Commissioner Goosby asked him if he was talking about more land. Mr. Madgett replied that he was talking about protecting Hertz' interests.

Commissioner Kadish said that she hopes this can be worked out.

* * *

(9) Supplemental Appropriation for 1978-79.

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was unanimously approved:

No. 78-0257

This supplemental appropriation request is for a management development program at the Airport, the implementation of FIRM (the City-wide management information system), public information expenses in connection with the opening of the North Terminal, increases in necessary operating expenses for 1978-79 due to inflation and anticipated levels of usage, and miscellaneous required equipment and facility maintenance items. The amount of this supplemental appropriation request is \$1,042,540.

Mr. Eric Craven, Secretary to the Airports Commission, pointed out an error on the third page of the memorandum from Mr. Heath to the Commission. He explained that the \$40,000 amount for extended work week has been moved to Calendar Item No. 10.

Mr. Heath reviewed the items in this supplemental appropriation one by one, explaining the necessity for each. He said that a policy decision should be made as to whether the opening of the North Terminal should be an extravagant or a small affair. He said that United Airlines is planning an elaborate sit-down dinner as a fundraiser for charity. He proposed that the Airport should have the terminal open to the public prior to the official terminal opening date. He pointed out that a new brochure for hand-out to the public would be necessary in any case to explain how the North Terminal is laid out, etc.

Commissioner Goosby asked if funding for the brochures would come from the printing and advertising funds.

Mr. Heath replied that they would.

Commissioner Goosby questioned whether a large amount of money should be spent on a ceremony. He said it should be discussed by the staff because perhaps there were facets he was not aware of. He suggested that funds be earmarked now and then after a staff recommendation the Commission could vote on their appropriation.

Mr. Heath said that because ceremonial needs are hard to estimate, Commissioner Goosby's suggestion was wise. He said that with a policy idea from the Commission, the staff could work out specific ideas for the ceremony.

Commissioner Kadish said that if this were to be taken out, there would need to be an additional appropriation request to the Board of Supervisors. She said that the fewest number of requests is best for all parties involved. She said that \$60,000 for advertising was a lot; that public service advertising should be considered; that a lot of advertising would add to the Airport's traffic problems, and that this item should be scaled down financially.

Commissioner Fleishell agreed, and added that the Airport does not need to advertise because of the monopoly it has. He also added that the new concessions will purchase advertising, reducing the need for Airport advertising.

Commissioner Kadish asked how many "you are here" signs will be in the North Terminal.

Mr. Lee said that there will be two signs under glass.

Commissioner Bernstein added that they are at the 'throats' of the connectors.

Commissioner Kadish said that Seattle has 38 such signs.

Commissioner Goosby suggested that the item be taken out and handled at a subsequent meeting. He said that Mr. Heath's management improvement and affirmative action ideas would work together; that the staff does not have the time to do the extra work needed to improve the affirmative action programs.

Commissioner Goosby said that since Mr. Reedus is no longer on salary at the Human Rights Commission, and the precedent has been set that the Commission pays other City offices such as the City Attorney, that perhaps a symbiotic relationship with the HRC could be set up. He added that instead of spending such a large amount on an opening ceremony, the money could be more wisely used for such a program. He suggested the \$161,000 appropriation be deleted from the total request.

Commissioner Kadish said that the resolution should be passed with each item subject to specific approval before it could be expended.

Mr. Heath said that if the Commission was not going to go the full route that he would suggest the Commission approve \$40,000 for the handouts and another \$25,000 for the opening of the North Terminal.

Commissioner Goosby moved that everything for the ceremony except for this \$65,000 be deleted from this resolution, and that each item must be approved by the Commission.

Mr. Heath said that with contracts this is no problem. He, however, said that overtime and temporary salaries are decided on a day-to-day basis, and that Commission approval would be cumbersome. He said that any contracts for professional service would have to be approved by the Commission.

Commissioner Fleishell said that the Commission would like to see the new brochure.

Mr. Warren Hanson, Public Relations Officer, said that for the new brochure it is necessary to engage a graphics designer and that those funds are enumerated. He added that the work can be checked before it goes to the Commission.

Commissioner Fleishell said that he would expect to get the proofs prior to the camera-ready step because it would be much cheaper.

Commissioner Kadish said that inasmuch as this is one of the areas to which Commissioner Fleishell has agreed to give his attention, that he work with Mr. Hanson on this.

Commissioner Kadish stated that the resolution would reflect the changes discussed.

* * *

(10) Supplemental Appropriation for 1978-79.

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

No. 78-0258

This supplemental appropriation request is for the reinstatement of funds for extended work week, along with other items specifically deleted from the 1978-79 budget. The total amount of this supplemental appropriation is \$88,630.00.

Mr. Heath said that these were specific items included in the original Airports budget that were deleted by the Board of Supervisors during the budget review process. He said that some of the crafts are on a 35-hour week or less; and that very often a project they are working on is stalled because there is no electrician on duty, etc. He said it would be desirable to have all crafts work a 40-hour week. It is important to be able to pay competitively because some of the best craft people are being lost to private industry. He said that the staff seriously doubts whether it can hire the kind of skill needed because of what these people are getting in contracts in the private sector.

Mr. Heath said that the word processing capability was reviewed during the budget review process. He described how calendar items are typed up at least five different times using the same wording but in different forms. He said that the word processor would help to expedite the typing of these and similar items.

Commissioner Bernstein questioned the \$8,000 cost for files.

* * *

(11) Supplemental Appropriation Increase, \$23,982.00.
Airport Revenue Bond Reserve Fund - Series B.

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was unanimously approved:

No. 78-0259

Resolution approving an increase of \$23,982.00 in the supplemental appropriation request of \$385,665.00 approved by the Commission on September 19, 1978 to provide the required \$409,647 for the Series B Revenue Bond Reserve Fund.

Mr. Heath said that due to extenuating circumstances, the \$23,982.00 is needed to complete the budget.

* * *

Director's Reports:

A. Improvements to Fourth and Fifth Floors of the Central Terminal.

Mr. Heath said that he expects to receive a report from Gensler & Associates on Friday afternoon at 2:30.

Mr. Ron Wilson said that if the remodeling costs exceed fifty percent of the original value, the building then must be brought up to Code.

Mr. Lee said that the Central Terminal is structurally sound but it is obsolete for the number of passengers we are handling. He said that there should be major remodeling.

Mr. Len Blackford of Airport Architects said that the original estimate was budgeted at \$30.00 per square foot, but nothing was specifically budgeted for specifics such as air conditioning, etc.

* * *

B. Professional Services Arrangements with Hotel/Motel Board Consultant.

Mr. Heath said that the Airport is asking three firms who expressed an interest in the hotel-motel board to present a proposal to the staff. He said that then the staff would make a recommendation to the Commission.

Commissioner Kadish asked if there would be available to the Commission for review, firms other than the ones recommended by staff.

Mr. Heath said that there would.

* * *

C. General Plan for Proceeding with Selection of Additional North Terminal Concessions.

Mr. Heath said that he recommends not approving any additional concessions at this time.

Commissioner Kadish said that the Commission would not take any action on a resolution until all the areas under discussion are completely clarified.

* * *

D. Garage Contract: Commission Response to Touche Ross Recommendations.

Mr. Heath suggested that the Commission postpone discussion of this until Commissioner Coblentz is present.

Commissioner Kadish said that the Commission would like to request the staff to remove criteria that are in the presentation which may be too restrictive to allow minorities and newcomers to bid. She suggested that staff develop criteria more appropriate for the specific garage situation. She said that experience of firms was necessary, but there may be other forms of managerial experience that staff could discover.

* * *

E. General Aviation.

Mr. Heath said that the Commission has adopted a policy that more Airport land will not be allocated for general aviation. He said that he would like to bring the subject up at the AOCI (Airport Operators Council International) meeting in New York because that is the most effective group to raise the possibility of a change in Federal policy.

* * *

F. Noise Test Data Relating to Use of Runways 1 and 10 During Late Night Hours.

Mr. Heath said that a test was made to try to use runways that would have less noise impact on surrounding communities. However, because of the prevailing winds, the suggested use of runways would not be possible on a continuing basis.

* * *

G. Interim Improvement of the International Arrivals Area.

Mr. Heath said that the situation in the International Arrivals Area is intolerable. He pointed out the area on wall charts, explaining where the international passengers have to pass through a bottleneck area. He said that the staff proposed a temporary building be built and that a race-track type baggage carousel be installed that will have a large area from which people can collect their baggage. He said that it has been worked out so that the airlines will pay for this and the Airport will repay them through credits.

* * *

H. Retirement Resolution for Wallace Reed.

Mr. Heath requested that the Commission approve a retirement resolution for Mr. Wallace Reed.

Commissioner Kadish so ordered.

* * *

Communications.

Mr. Heath discussed with the Commission communications received from the Human Rights Commission. He mentioned some plans made for working with that Commission.

Commissioner Goosby asked if the Airport had a lease arrangement with hotels.

Mr. Heath said that the Airport did not have a lease arrangement with hotels, but since they did pick up passengers for the Airport, the Airport could request employee data from them.

* * *

Adjournment.

There being no further business, the meeting adjourned at 4:51 p.m.



Eric Craven
Secretary to the
Airports Commission

SECRETARY'S REPORT

IN ACCORDANCE WITH GOVERNMENT CODE SECTION 54957.1 of the BROWN ACT, I AM REPORTING ON THE ACTIONS TAKEN BY THE AIRPORTS COMMISSION IN EXECUTIVE SESSION ON SEPTEMBER 19, 1978. THE ACTION AND ROLL CALL OF THE VOTE THEREON ARE AS FOLLOWS:

1. AGENDA ITEM (7) OF THE SEPTEMBER 19 CALENDAR, MODIFICATION NO. 34 (DEBIT), AIRPORT CONTRACT NO. 1000, GARAGE: STAGE IV - SUPERSTRUCTURE ADDITION, \$65,445.00, WAS APPROVED BY A UNANIMOUS VOTE OF COMMISSIONERS KADISH, BERNSTEIN, AND GOOSBY.
2. AIRPORT CONTRACT NO. 650C, COMPLETION OF NORTH TERMINAL BUILDING, MODIFICATION NO. 41 (DEBIT), \$96,715.29, WAS APPROVED BY A UNANIMOUS VOTE OF COMMISSIONERS KADISH, BERNSTEIN, AND GOOSBY.
3. AIRPORT CONTRACT NO. 950, BOARDING AREAS H & I AND CONNECTOR, MODIFICATION NO. 30 (DEBIT), \$136,871.58, WAS APPROVED BY A UNANIMOUS VOTE OF COMMISSIONERS KADISH, BERNSTEIN, AND GOOSBY.

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

October 17, 1978

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

RUTH S. KADISH
President

MORRIS BERNSTEIN
Vice-President

WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING

October 17, 1978

1. Call to Order:

The regular meeting of the Airports Commission was called to order at 2:30 PM in Room 282, City Hall, San Francisco, California.

* * *

2. Roll Call:

Present: Commissioners Ruth S. Kadish,
William K. Coblentz, Z.L. Goosby,
and J. Edward Fleishell.

Absent: Commissioner Morris Bernstein

* * *

3. Pledge of Allegiance: Led by Commissioner Coblentz.

* * *

4. Approval of Minutes:

No Minutes were before the Commission for adoption.

* * *

5. Calendar Items:

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was unanimously approved:

(1) Amendment to Resolution No. 78-0156.

No. 78-0261 Resolution clarifying the wording
of Resolution 78-0156 as it re-
lates to Terminal Space Rate
Charges.

* * *

Mr. Pete Singer, Acting Director of Airports, explained that the resolution originally stated that Terminal space rates were to be increased 24%, but because the rates were rounded to the nearest twenty-five cents, the 24% figure was not always exact. He said that this amendment removes the reference to 24% and retains the rates shown in the table included with the resolution.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolutions were unanimously approved:

(2) Recision of Landing Fee Special Charges

No. 78-0262	Since the Series B bonds have been sold the accompanying resolution 78-0156 which set special charges A and B as an addition to the base rate, landing fees should be rescinded.
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(3) Moratorium Agreement with Airline Carriers

No. 78-0263	Resolution approving the form of the Moratorium Agreement with the Airline Carriers and authorizing the President of the Commission and the Director of Airports to sign the agreements.
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Mr. Singer said that at the time the landing fees were set there was a base rate and two special charges. He explained that the bond sale resolution stated that the special charges would be rescinded when the funds from the Sale of Series B bonds were received, and since those funds have now been received, the charge would be rescinded by this resolution. He said that the moratorium agreement conforms to the wishes of the Airports Commission, the Mayor's Office and the airline carriers. He said that the agreement would hold off litigation in order to allow for negotiation of differences. He said that meetings between George Agnost, City Attorney, and Thomas Welch, Attorney for the Airline Policy Committee, resulted in the moratorium document.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was unanimously approved:

(4) Award of Airport Contract No. 1141, Central Heating and Cooling Plant, Installation of Fuel Reserve Tanks, \$148,544.00.

No. 78-0264	Resolution awarding Contract No. 1141, Installation of Fuel Reserve Tanks, Central Heating and Cooling Plant, in the total amount of \$148,544.00 (Alternate "B") to Eagan and Paradiso Construction Company.
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The construction work in general consists of excavation, constructing concrete base slab and top settlement slab, furnishing and installing two 40,000 gallon fuel reserve tanks together with related piping and electrical controls.

Mr. Singer said that this item is required in case the Airport should have to switch from natural gas to fuel oil. He said that originally it was thought fiberglass tanks would be appropriate; but it was found that steel tanks would offer sufficient protection and with good maintenance as long a life as fiberglass tanks with a savings of \$24,000.

Commissioner Kadish asked Mr. Singer to explain when the service curtailment by PG&E was anticipated.

Mr. Singer said that he was not certain that service will be curtailed, but that in the past the Airport has had a limited gas supply and a contingency is needed should there be an insufficient natural gas supply.

Commissioner Kadish asked if, because this contract would take only 120 calendar days, would there be sufficient advance warning of a cut-off so that it would make more sense to hold up construction until a cut-off was imminent.

Mr. Robert Lee, Deputy Director for Planning and Development, stated that four tanks exist already, and that this resolution would increase the storage capacity.

Commissioner Goosby asked if the tanks under consideration were for oil for the power plant.

Mr. Lee answered that that was correct.

Mr. Ron Wilson, Assistant Deputy Director for Maintenance, said that P.E. &E. can curtail natural gas on a one-hour notice.

Commissioner Goosby asked if the Airport had other tanks for fuel storage and where were they located.

Mr. Wilson replied that the Airport did and they were located underground at the maintenance facility.

Commissioner Goosby asked if bids for items such as these were received by the Engineering Division.

Mr. Lee said that they were reviewed by Engineering.

Commissioner Goosby asked who receives bids for the items such as the custodial contract.

Mr. Don Garibaldi, Airports General Counsel, said that items such as the custodial contract must go out to bid through the City Purchaser.

Commissioner Goosby asked if some portion of the bidding couldn't go through the Airport because he felt that some items were handled by particular individuals in the Purchaser's office.

Mr. Wilson said that the Purchaser's office is divided into different sections, but the authority to purchase any particular item resides in that office.

Commissioner Fleishell asked if fuel is purchased through the City Purchaser.

Mr. Wilson said that it was.

Commissioner Fleishell said that he believes that Standard Oil has the low bid on fuel. He asked what the law says as far as purchasing fuel is concerned.

Mr. Garibaldi said that the law says that we must purchase all supplies through the City Purchaser.

Commissioner Kadish asked how much shorter would the life expectancy of the steel tanks be compared with the fiberglass.

Mr. Lee replied that his staff deemed the steel tanks, with a cathodic protection system, to have the same life expectancy as the fiberglass.

* * *

On motion of Commissioner Coblenz, seconded by Commissioner Goosby, the following resolution was unanimously approved:

- (5) Award of Contract No. 1152, Pavement Overlay, Lower Level Road at North Terminal, \$77,777.00.

No. 78-0265

Resolution awarding Airport Contract No. 1152, Pavement Overlay - Lower Level Road at North Terminal, to McGuire and Hester, 796 - 66th Avenue, Oakland, California, in the total amount of \$77,777.00.

The purpose of this contract is to overlay with asphaltic pavement the lower level roadway in front of the new North Terminal. Differential settlement has created unevenness on the roadway surface and heavy construction over the past two years has accelerated the deterioration of the pavement.

The work will restore the roadway to a smooth and safe operating condition prior to the opening of the new North Terminal.

Mr. Singer said that this contract is for overlaying the lower level roadway. He said that it would be done in two stages.

Commissioner Kadish asked whether a plan had been developed to handle the traffic during construction.

Mr. Sheldon Fein, Airport Traffic Engineer, said that the plans and specifications for construction require the contractor to keep two lanes of traffic moving at all times. He assured the Commission that the contract will be finished far in advance of the North Terminal opening.

Commissioner Kadish said that that is the contractor's responsibility, and she wanted to know what the Airport's responsibility was, and how it was going to be handled.

Mr. Fein said that there have only been two lanes operable in front of the North Terminal Building for the past eight months due to parking garage construction. He said that the present obstructions will be out of the roadway area before the road resurfacing begins.

Commissioner Goosby asked if bids, such as the ones for this work are received, examined and approved by the Engineering Division.

Mr. Lee stated that the bids are opened by Mr. Eric Craven, Commission Secretary; that the Airport staff reviews them for references and experience; and that then they are recommended to the Commission.

Commissioner Goosby asked if there were any differences in the bid review and approval procedures for construction, professional services and janitorial contracts.

Mr. Garibaldi replied that Janitorial contracts are handled by the City's Purchasing Department.

Commissioner Goosby asked why custodial contracts must be approved by the City Purchaser.

Mr. Garibaldi said that they are classified as maintenance contracts and for that reason are considered the same as purchasing supplies.

Commissioner Goosby stated that personal services, not supplies, are contracted. He asked what legal justification there is for handling this through the Purchaser's Office, and if it could be handled another way.

Mr. Garibaldi promised to check the City Charter and answer Commissioner Goosby's questions.

Commissioner Goosby requested the reply before the custodial contract goes out.

Commissioner Fleishell asked what recourse the Commission has other than a 10 year lawsuit, if the contractor does not keep two lanes open.

Mr. Garibaldi replied that it constitutes a breach of contract and that litigation is the only possible action.

Mr. L. Grindheim of Construction Management Consultants, said that an immediate solution would be ticketing illegally parked vehicles which impede traffic flow.

Mr. Wilson said that the Airport would shut down the construction company.

Commissioner Fleishell requested a copy of the contract.

Mr. Wilson said he would furnish Commissioner Fleishell with a copy.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was unanimously approved:

- (6) Award of Airport Contract No. 1182, Central Heating and Cooling Plant, North Cooling Tower Air Intake Louvers, \$23,362.00.

No. 78-0266

Resolution awarding Contract No. 1182, North Cooling Plant, to H. H. Robertson Company, 1485 Bayshore Boulevard, San Francisco, CA 94124, in the total amount of \$23,362.00.

The purpose of this contract is to fabricate and install anti-splash louvers at the two air intake openings in each of the three cooling tower cells to prevent drifting of chemically treated water spray from damaging the finish on vehicles in the Parking Garage.

Mr. Singer said that during the summer there was a modification presented to the Commission for the installation of louvers and the Commission asked that the staff put this item out on a separate contract. He said that the one bid received was \$1400 less than the amount when the louvers were proposed as a modification.

Commissioner Kadish said that she was pleased with the savings, but wondered why only one bid was received.

Mr. Lee replied that this is specialized work that not too many contractors could bid on. He said that the bid was properly advertised and circulated among all the contractors in this type of business.

Commissioner Kadish asked if this contractor is working as a subcontractor for the general contractor on another contract or if it was a new contractor.

Mr. Lee replied that it was a new contractor.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was unanimously approved:

- (7) Off-Airport Parking Lot Agreement

No. 78-0267

Parking Company of America, SSF, Inc. agrees to pay monthly five percent (5%) of gross receipts. Five (5) year agreement effective May 1, 1978.

Mr. Singer said that the Parking Company of America has established a lot in South San Francisco, roughly adjacent to the Park 'N Fly lot. He added that this agreement is consistent with the agreements the Airport has with Anza and Park 'N Fly.

Commissioner Goosby asked if this was a new company and a new outside lot.

Mr. Singer replied that it was.

* * *

On motion of Commissioner Coblenz, seconded by Commissioner Goosby, the following resolution was unanimously approved:

- (8) Bid Call, Contract No. 1188,
Electrification of Exterior Signs, North Terminal Complex.

No. 78-0268

Resolution approving the final plans and specifications for Airport Contract No. 1188, Electrification of Exterior Signs, North Terminal Complex.

The purpose of this contract is to illuminate all airside gate signs and exterior lower level airline identification signs in order to make them visible under low light conditions.

Mr. Singer said that this is for lighting the gate signs along the airfield side and the airline identification signs on the lower level exterior of the North Terminal.

Commissioner Coblenz asked what the staff had found out about the color of the arrival and departure signs, a matter he had raised at a previous Commission meeting.

Mr. Singer said that he would forward a letter received from Walter Landau Associates regarding these signs.

Commissioner Coblenz requested that copies be sent to all the Commissioners.

Mr. Singer said that that would be done.

Commissioner Goosby asked what was the notification procedure after the Commission has, through normal procedures, approved a bid call. Additionally, he asked who from the Airport staff does the notifying.

Mr. Lee said that bid calls are advertised as a formal contract in the official city newspapers, the Daily Pacific Builder, and clearinghouses for minority contractors.

Commissioner Goosby asked if there was a time limit for submitting a bid on this contract because there was no mention of a time limit in the documentation. Also, he asked if there was a specific time limit for each job or was there a general time limit for submitting bids that applied to all jobs.

Mr. Lee replied that the time limit depends on the size of the job and that for this particular job the time limit would be about three weeks.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, this item was placed before the Commission for discussion and subsequently taken off Calendar:

The successful bidder will operate the insurance counter in the Airport's North, Central and South Terminals for a term of five years with an extension, at City's option, of three years. The bid item is the annual dollar amount to be paid to the City with the minimum acceptable bid figure being \$35,000 per year.

Mr. Singer said this item is for insurance sales to the public. He said that at present Mercury International is operating in the Central and South Terminals.

Commissioner Kadish said that she had seen only Mutual of Omaha insurance counters.

Mr. Singer stated that Mercury is the broker, and Mutual of Omaha has been their choice as the insurance company.

Commissioner Kadish said that it seems the insurance agencies get much more than a 10% return on their sales. She asked how the figure was calculated and how it compares with service at other airports.

Mr. Singer replied that the amount of counter insurance is steadily declining, and that most insurance business is done by machine. He said that the successful bidder could provide machines as well as personal service. He added that the most recent bid in Seattle had a 15% return.

Commissioner Kadish said that she could appreciate a high risk factor, but not to the broker. She said that an equitable percentage based on gross receipts is reasonable.

Commissioner Fleishell asked if the Airport staff knew what the rates were in Chicago.

Commissioner Coblentz suggested that the resolution be put over to the next meeting and that information on what other airports are getting be submitted at that time.

Mr. Singer said that requests for this information have been sent but no replies received. He agreed to get what information possible by the next meeting, and that the Commission should proceed at that time.

* * *

Agenda Items 10 and 11 were removed from the Calendar prior to the Commission meeting.

Commissioner Goosby asked why items 10 and 11 were taken off the Calendar.

Mr. Singer replied that the staff was unable to get the leases written and approved by all the people necessary in time for the meeting.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was approved:

- (12) Modification No. 2 (Debit), Airport Contract No. 650D, Ratifying Action of the Director of Airports on Change Orders, North Terminal Interior Design Elements, \$1,695.00.

No. 78-0269

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders 1, 2 and 3, and requesting the Controller's certification of Modification No. 2 to Airport Contract No. 2 to Airport Contract No. 650D, in the total amount of \$1,695.00.

This modification consists of providing carpet in 2nd level toilet vestibule; relocation of phones and enclosures in baggage claim areas; changing security alarm electric circuits; and granting a 40-day extension of time for completion of the work.

Mr. Singer said that this item is for certain modifications which have been approved under Contract 650D, regarding wall carpeting for the toilets.

Mr. Lee explained that this is for carpeting at the entrance to the vestibule where there presently is no partition.

Mr. Len Blackford of Airport Architects further explained that they have designed the bathrooms without doors to reduce wear and tear. He said that they wanted to cover the walls with carpet to reduce noise.

Mr. Singer added that there will be other similar modifications coming up in the near future.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was approved; 3 ayes (Kadish, Coblentz, Goosby) 1 nay (Fleishell):

- (13) Modification No. 36 (Debit), Airport Contract No. 1000, Garage: Stage IV - Superstructure Addition, \$71,414.00.

No. 78-0270

Resolution approving and requesting the Controller's certification of Debit Modification No. 35 to Airport Contract No. 1000, in the total debit amount of \$71,414.00.

The work completes specific areas in Contract 1000 which are essential in operating the North Terminal Complex prior to the terminal's scheduled opening date.

Mr. Singer said that this modification is for the purpose of accelerating work on the garage. He said that staff has been advised that the \$71,000 amount is the first of a series of modifications that will amount to about \$300,000 in direct costs and an unknown amount in indirect costs necessary for the opening of the North Terminal.

Commissioner Kadish said that she was concerned with the justifications for some parts of this \$72,000 item, specifically the labor shortages. She asked in which trades were there labor shortages.

Mr. Grindheim replied that there were shortages of steamfitters, plumbers, carpenters, ironworkers and sheetmetal workers.

Commissioner Kadish asked if efforts are being made to bring in labor from other areas.

Mr. Grindheim said that his staff had been trying to bring in people from other areas. Additionally, he said that he had been talking to the Central Labor Council and unions, but that right now only six sheetmetal workers are working in the entire garage.

Commissioner Kadish said that it would seem that contractors would know that they would need labor and would have alternate sources for labor, similar to their procurement policies for materials.

Commissioner Fleishell said that the question is who bears the risk. He said that it seems that a contract with the City is one in which if all goes well, it is all right, but if there are problems, the City pays.

Mr. Grindheim said that there are many claims for time lost due to bad weather, etc. on this contract. He said that the Airport is required to pick up any overtime costs incurred to make up for this lost time.

Mr. Lee said that the City Charter says that shortage of labor and unavailability of materials are unavoidable delays.

Commissioner Fleishell said that it may be that staff should have the contractor waive those provisions. He said that when one is spending money there are delays that are inexcusable; he felt the inability of the contractor to procure labor is not acceptable. He said that if the contractor wishes to bid on a contract, we can require the contractor to waive certain of those provisions.

Mr. Grindheim said that the main problem has not been the labor, but rather the lack of light weight aggregate. He said that when the job began, there were five plants producing light weight aggregate, but since last Fall there has only been one. He said that the structure is so large that the pilings could not be strengthened to facilitate the use of another material. He said that right now this contract, Contract 1000, is getting first call on what light weight aggregate there is available.

* * *

On motion of Commissioner Coblenz, seconded by Commissioner Goosby, the following resolution was unanimously approved:

- (14) Modification No. 3, Airport Contract No. 1006,
North Terminal Complex - Graphics, (Extension of Time).

No. 78-0271

Resolution approving and requesting the Controller's certification of Modification No. 3 to Airport Contract No. 1006, North Terminal Complex - Graphics.

This modification grants a 60 calendar day time extension for the completion of all work under the contract at no cost to the City.

Mr. Singer said that this contract is for an extension of time for the graphics contractor, but that at this point, it does not mean an increase in the dollar expenditure.

* * *

On motion of Commissioner Coblenz, seconded by Commissioner Goosby, the following resolutions were unanimously approved:

- (15) Modifications of Gift and Sundries Shop and Storage Room Lease and Modification of Newsstand, Bookshop and Storage Space Lease.

Nos. 78-0272, 78-0273

These two lease modifications will authorize substitution of an equal amount of storage space in the ground level under the South Concourse for space relinquished in the lower level of the Central Terminal. No rental credits are involved.

Mr. Singer said that these items relate to a clarification in the lease with the ABC Gift shop. He said that the Airport had taken some space from ABC and given them additional space which we asked them to pay for. The payment was in dispute until the first of May of this year, at which time ABC agreed to pay for the space.

He said that these modifications are to formalize the lease arrangements.

Commissioner Goosby asked if, when ABC occupies the North Terminal, will the Airport offer them additional storage space in that same terminal.

Mr. Singer said no, this was for space in the existing terminals.

Commissioner Goosby asked if ABC has a monopoly on newsstand operations, including future operations in the North Terminal. Mr. Singer said that ABC has the right of first refusal, but that their contract is up on September 1, 1979 and that the current space is space ABC has occupied since 1974.

Commissioner Fleishell asked if this was space for storage not retail space.

Mr. Singer indicated that this was so.

Commissioner Goosby explained to Commissioner Fleishell some of the background on the ABC situation, noting that ABC had exercised its option and taken a one year lease on space in the North Terminal.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was unanimously approved as amended:

(16) Continental-Western Merger

No. 78-0274

Resolution authorizing the Director of Airports to participate in this matter for the purpose of keeping informed on progress and on potential changes in the operations of these carriers at San Francisco International Airport.

Mr. Singer said that both Continental and Western Airlines have indicated an interest in a merger and the matter has been referred to the CAB. He said that this resolution is to approve Airport participation in hearings before the CAB, since both the airlines fly out of San Francisco.

Commissioner Fleishell asked if the Airport's participation would be in order to acquire knowledge or to take a position for or against the proposed merger.

Mr. Singer said that it was only to receive all the documents.

Commissioner Fleishell asked if it wasn't possible to just write for the documents or get on appropriate mailing lists for free.

Mr. Singer said that he didn't think it was possible to get all the relevant information without intervening.

Commissioner Fleishell said that it was clear then that passing this resolution would not raise the Airport's costs.

Mr. Singer said that that was correct.

Mr. Garibaldi said that intervention might mean some costs for the Airport.

Commissioner Fleishell asked what the Airport would be committed to if this resolution was passed and whether it would be necessary to hire Washington counsel to attend the proceedings.

Mr. Garibaldi said that an arrangement has been made to intervene jointly with the Chamber of Commerce.

Commissioner Fleishell recommended that a resolution be required when there is an intention to make a policy judgement.

Mr. Garibaldi said that the Airports Director had been approached by Western and Continental and requested to intervene along with the Chamber of Commerce.

Commissioner Kadish said that a sentence should be added to the resolution stating that the Airport's intervention is purely for information gathering purposes and that no costs would be incurred; this would require any policy determination to come before the Commission.

Commissioner Goosby moved that this amendment be made; Commissioner Coblenz seconded it. It was so ordered by the Commission President.

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On motion of Commissioner Coblenz, seconded by Commissioner Goosby, the following resolution was unanimously approved:

- (17) Award of Airport Contract No. 1187,
Security Check Point at Connector and North Terminal.

No. 78-0275

Resolution awarding Contract No. 1187, Security Check Point at Connector and North Terminal to J. M. Construction Company, 1175 Montgomery Avenue, San Bruno, CA 94066.

The purpose of this contract is to provide supervision and immediate response at the Security Check point for Piers "H" and "I", One airline security office, one airport security office and a full height glass security partition will be constructed at the security check area of the Connector.

Mr. Singer said that this item is for the construction of a checkpoint between the concourse and the satellite of Piers "H" and "I" in the North Terminal. He said that of two bidders, the low bidder was J. M. Construction Company. He added that the amount of the bid was in excess of the engineer's estimate.

Mr. Lee pointed out that \$4,500 of this will be reimbursed by United Airlines.

* * *

At the request of Commissioner Coblenz, Agenda Item No. 18 was taken off calendar:

- (18) Award of Airport Contract No. 1161,
Remodeling Fifth Floor Offices, Central Terminal, \$176,300.

Resolution awarding Contract No. 1161, Remodeling Fifth Floor Offices - Central Terminal, to Leon Carlen Construction Company, San Francisco, CA., in the amount of \$176,300.00.

The purpose of this contract is to relocate the Accounting Department to the vacated FAA area at the southwest corner of the fifth floor, so that the office space will be made available to house the Personnel and Permits Office, presently occupying area on the fifth floor. The space to be vacated by the Personnel and Permits Office will be occupied by the City Attorney's Airport legal staff.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was unanimously approved:

- (19) Professional Services Agreement, Robert B. Wong, Architect, Remodeling of Engineering Building, Schematic Design Phase, \$10,000.

No. 78-0276

Resolution approving the professional services agreement between City and Robert B. Wong, Architect, for the remodeling of the Airport Engineering Building and authorizing consultant to proceed with the Schematic Phase at a fee not to exceed \$10,000.

Mr. Singer said that in the 1978-79 budget, the staff included an amount of \$50,000 for architectural and engineering remodeling of the Engineering Building. He said that this agreement is for the initial phase of that effort.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was unanimously approved:

- (20) Professional Services Agreement, Modification No. 4, Hogan and Hartson.

No. 78-0279

Resolution approving Modification No. 4 to agreement with Hogan and Hartson, Washington, D.C., for service as Special Counsel.

Mr. Singer said that the agreement with Hogan and Hartson expired in July of 1978. He said that this modification represents both the ratification of further expenditures for work asked of them plus an amount for the balance of the year.

Commissioner Kadish said that this item had been put over at the request of Commissioner Coblentz.

Commissioner Fleishell said that it was his assumption that the matters for which the Airport is billed are matters that could not be handled by receiving copies of proceedings. He said that it appeared the attorney has never taken an active role in proceedings. He said that monitoring the proceedings could be done by having the City Attorney review copies of the record.

Mr. Garibaldi said that some of the major billings are for active work.

Commissioner Fleishell said that he did not want to haggle over such a small amount but that alternatives should be considered.

* * *

Commissioner Kadish reminded Commissioner Goosby that he had a question on an item from the last meeting.

Commissioner Goosby asked why the item dealing with the Commission's response to the Touche Ross recommendations was not on the Calendar.

Mr. Singer said that because of the short time period, the staff did not have the opportunity to get it on the calendar, but it would be on the next Commission Agenda. He added that the staff anticipates that the garage will be sufficiently complete to allow the contract to begin sometime next summer.

Commissioner Goosby said that the deadlines for putting items on the calendar must be followed. He said that people come to meetings expecting certain topics to be discussed, and it is upsetting when they are not on the Calendar.

Commissioner Kadish requested that Mr. Singer see that the matter is put on the agenda for the next meeting.

* * *

Mr. Singer said there was another item to be approved at this meeting and apologized for the lateness of submittal.

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was unanimously approved:

(21) United Airlines Maintenance Center Revisions.

No. 78-0280

Resolution authorizing United Airlines to proceed with the expanding and modernization of their Univac Computer facilities.

Mr. Singer said that this is a tenant improvement of United Airlines and that there is no rental credit.

Commissioner Kadish said that as it is at no cost to the Airport and will expedite getting the work completed, this can be dealt with today. She told Mr. Singer that prior to his arrival, the Commission agreed that no last minute agenda items would be dealt with.

Mr. Singer said that there were a number of items that came in late that he would not allow on the calendar, but this one is important.

Commissioner Goosby asked about the legal status of items appearing on the agenda. He asked whether there is a State mandate about the amount of time necessary between submittal of an item and its consideration.

Mr. Garibaldi said that there are requirements on file and that the agenda is to be published about 2 days before the meeting.

Commissioner Goosby said that this information should be collected at the next meeting, and that he has reservations about acting on a matter that does not appear on the Calendar.

Joe Skiffer of Synpark, Inc. asked about the garage contract. He said that he had originally understood that the bids would go out to bid in January or February 1979, but that now they may not go out until the summer of 1979. He said he is concerned that this may develop into a noncompetitive situation. He asked when the garage will be open.

Mr. Grindheim explained when the various sections would be open and that almost the whole structure will be open by next summer.

Mr. Sinder said that it is anticipated that the bid on the garage contract will be awarded so that it will begin in the summer.

Dr. Claude Mitchell of Synpark, Inc. asked when the specifications would be available.

Mr. Singer said that they would be available 30 days before the bid.

Commissioner Kadish requested that all the pertinent information be presented at the next meeting.

Mr. Skiffer said that he has been trying to get information on this matter for three months. He requested that the Commission establish some dates and then have the staff adhere to them.

Commissioner Goosby said that there could be some dates given at the next meeting.

* * *

6. Director's Reports:

A. Valet Parking

Mr. Singer said that it was originally agreed that valet parking should be retained if the amount of curb space used was reduced. He said that this was amended to include that it be operated on a profit-making basis. He said he would like to congratulate Mr. Fein on his work and asked him to make a descriptive presentation. Mr. Singer said that if this proposal meets with Commission approval, a formal resolution will be drawn up.

Mr. Fein described the proposal which would take valet service off the curb and put it in a fenced in area in the parking garage. Mini-buses would be used to deliver customers to the appropriate terminal.

Commissioner Kadish asked if the fence was included in the estimate.

Mr. Fein said that he had not prepared the budget but that he believed a large part of the \$60,000 figure was for the office and a small part for the fence.

Mr. Wilson said that if the Commission accepts the proposal, he would like to advise that the increase in rates take place now so that there would be money to be used for additional runners in order to provide relief from the holiday traffic congestion.

Commissioner Kadish said that valet parking provides an extra special privilege for people who are already privileged. She said that the cost seems far too low for this type of service.

Russel Presting of Onoronto Garages suggested that the Airport let the customer park his own car, similar to Park 'N Fly. He said that if the customer locked his own car, that would relieve Airport of the legal responsibility for liability, rather than as proposed where the Airport would be a bailee for hire.

Commissioner Goosby asked how many people used the valet service.

Mr. Fein said that roughly 200 people per day used it; this is about 2 percent of the people parking.

Mr. Presting said that a number of airports have valet parking although because of the shape of the terminals, the valet system is different in different airports.

Commissioner Kadish asked why, in reference to the Cost Analysis, did 'Miscellaneous Expenses' increase from \$15,000 to \$21,580.

Mr. Bill Wheeler of Airport Parking Management said that the increase was because of expected increases in expenses.

Commissioner Kadish said that she felt the fee should be set higher at a minimum of \$10.00.

Commissioner Goosby said that he would like to hear from the Manager of the Airport Garage, as to what his feelings are.

Mr. Wheeler said that he felt the system was outmoded. He said that the Airport should not charge any more than the current prices. He said that he didn't feel that the Parking Management could charge any more and still make it work successfully.

Mr. Presting asked what the yearly volume was at present.

Mr. Wheeler responded that it was 76,800 cars per year.

Mr. Presting said that ten years ago, the valet parking operation was handling about the same amount, six or seven thousand cars per month.

Commissioner Kadish asked Mr. Presting if he was taping the Commission proceedings.

Mr. Presting said that he was.

Commissioner Kadish said that tape recording of Commission proceedings should be requested and that Mr. Presting was recording without Commission permission.

Mr. Presting stopped his tape recorder and said that he was sorry and would request permission in the future.

Commissioner Fleishell asked if the current matter should be considered at the same time as the general garage lease.

Mr. Singer explained that the problem was where to locate facilities for valet service. He said that the matter had been brought before the Commission earlier and that \$60,000 was requested for a valet shelter for the North Terminal. He said that at that time, the Commission asked that the staff study valet parking and the staff's subsequent recommendation was that valet parking should be conducted if a way could be found to reduce the curb space and to have it operate at a profit.

Commissioner Goosby asked what the original rationale was for developing this service.

Mr. Blackford said that about ten years ago there was no place to park and it was at that time that valet parking was instituted.

Mr. Jan Blais of United Airlines said that he would recommend that if valet parking was to be eliminated, the airlines be included in the discussion. He said that the airlines had assumed that it would continue.

Commissioner Goosby said that he would be interested in the airlines' input on this matter.

Mr. Presting said that valet parking started in late 1954 or 1955 and that the original valet parking was geared for the short-term parkers coming to pick up arriving passengers.

Commissioner Kadish said that what the discussion was beginning to show was that valet parking was based around a lack of close-in parking space. She said that the garage should be well able to serve the majority of passengers coming into the Airport area. She said that despite the fact that the Commission had passed a resolution viewed by some as leading to the elimination of valet parking, that the Commission would contemplate continuing it if it was feasible. She said that maybe the Commission should reconsider the whole issue, especially in light of the request from Mr. Blais that the airlines be participants in such discussions. She suggested that the Commission put off any further discussion on this matter until the Airlines Policy Committee could meet with Mr. Fein, the Airport Traffic Engineer.

Mr. Blais said that the airlines have an airline managers group that should be asked to give input. He said that the airlines would be in contact with the Airport staff and would get a report back to the Airport.

Commissioner Goosby asked about the numbers of employees that the valet parking operation employs. He said that the proposal would mean dropping from 23 to 12 employees and going from two managers to one. He said that if the Commission had a facility that would benefit the City and put people to work, employment should be a factor to which the staff should give some weight.

* * *

B. Use of Chlorine at the Airport

Mr. Singer gave a report on the use of chlorine at the airport. He said that the Board of Supervisors had passed a resolution in favor of its continued use. He said that part of the attention currently given the use of chlorine was due to newspaper articles about the handling and shipping of chlorine. He said that the City's policy was currently restricted to the Department of Public Works and that the decision for other departments was left up to those departments. He said that the Airport staff had made an investigation of the Airport's operations and found that Airport operations account for only 1% of all the City's use of chlorine. He said that the Airport has used chlorine in cylinders and that the Airport staff is familiar with their handling since they have used them for the last 8 years. He said that it would increase operating costs from \$8,000 to \$55,000 to convert to the use of solium hypochlorite.

Commissioner Kadish asked when the secondary treatment plant would be available for use.

Mr. Singer said that wastes coming from this plant would have to be chlorinated.

He said that the Water Department has decided to continue its use of chlorine.

Commissioner Kadish asked what kind of safety precautions the Airport has.

Mr. Singer said chlorine gas arrives at the Airport as a liquid, under pressure, in cylinders. He said that if there is any accident or break in the line there is an automatic shut off valve.

Commissioner Kadish asked about the probability of vandalism, or if there was somewhere else to store the chlorine as the site is so close to the school.

Mr. Lee said that someone is on duty there all night.

Commissioner Kadish requested that the sewer department be contacted to make a determination about the matter. She said that her concern was that if the Mayor and the Board of Supervisors are against chlorine and the Airport takes a position which is different from other departments, there may be a problem.

Mr. Singer said that the Airport might have another problem in that the Airport is part of the North Bay Discharging Unit, and as such, we have a joint powers agreement with neighboring cities under which there is common use of the outfall.

Commissioner Fleishell said that it seem unfair to compare conditions in the City with conditions at the Airport. He said that the Chief Administrative Officer's task force should review the matter and if they feel the Airport's situation is adequate, Commissioner Fleishell would feel quite comfortable with it.

Mr. Lee said that all of the Airport's neighboring communities are continuing to use chlorine.

Mr. Singer said that in light of the joint powers agreement, the Airport could not proceed separately from the other parties.

Mr. Lee said that he felt the Airport might be able to proceed separately at least in regards to the use of chlorine.

Commissioner Kadish asked what the results would be if the Airport were not to use chlorine.

Mr. Mel Leong of the Planning and Development Division, explained that the Airport would use another substance, such as sodium hypochlorite and sulphur dioxide, but that the end product would still be chlorine gas.

Commissioner Kadish asked Mr. Leong to explain the shelf life problems she had heard about.

Mr. Leong said that sodium hypochlorite deteriorates to about five percent strength rather quickly. He said that it has a very short shelf life.

Mr. Lee said that if the Commission adopts a resolution, the staff would report to the Chief Administrative Officer's task force.

Commissioner Kadish said that the Commission would like the Airport staff to report to Mr. Boas' task force first and then report back to the Commission.

Commissioner Goosby said that after meeting with Boas' people the staff could prepare a resolution.

Mr. Singer asked if the Commission wanted a report on meetings of Mr. Boas' task force. He said that the Director's report section is merely to bring up matters for discussion and suggest items that will eventually be brought up as resolutions.

Commissioner Fleishell said that he believed Commissioner Goosby had a point, that if anything untoward should happen, the Commission would be blamed, since it would have decided on a policy contrary to what the rest of the City was doing.

Commissioner Kadish said that if there is any disagreement on the part of the task force members, she would request that the presentation be made before the Commission by the persons disagreeing rather than having the information transferred through the staff. She requested that a presentation be made at the next meeting with whatever people necessary in attendance.

* * *

C. Oakland Service

Mr. Singer said that this is a matter of information without any necessity for policy determination.

Commissioner Goosby asked if the Airport's Washington Counsel was monitoring the matter.

Mr. Singer said that Washington Counsel was.

Commissioner Goosby said that he did not want the Airport in a position where San Francisco Airport was denying Oakland routes.

Mr. Singer said that when an airline wants to serve Oakland, the Airport suggests that they do so.

Commissioner Fleishell asked if it wasn't a major policy decision as to which cities are able to be served.

Mr. Singer said that that determination is made by the CAB and State Department through bilateral agreements. He said that once that decision is made and since the Airport does not have unoccupied counter space, the airline's ability to serve is circumscribed by its ability to rent space from other airlines.

* * *

D. Retirements:

Mr. Singer requested Commission approval for retirement resolutions for Mr. Paul Hunter and Mr. James Middleton.

Commissioner President Kadish ordered the Commission's approval.

* * *

7. Communications

No Communications were discussed.

* * *

8. Introduction of New Business by Commissioners.

A. TV Monitors for Security

Commissioner Kadish asked if there had been any investigation of video monitors for security in the North Terminal.

Mr. Wilson said that Mr. Samuels has been investigating the issue but that he was looking at it for just the garage and security for the courtyards.

Commissioner Kadish said that whatever has been found relative to that should go on the next Commission agenda. She said that when she was in Seattle last week she noted that they had 76 TV monitors and vandalism had decreased because of them.

B. Bid Procedures

Commissioner Goosby said that regarding bid procedures for work at the Airport, he would like to know whether there is one office that the public can call to get information about bid specs. He said that people he knew had received a runaround when they tried to get details about specs for the North Terminal Custodial Contract. He felt that there should be one office that knows how to answer the questions and how to get the particulars about the bids. He said that he feels the Airport needs some staff responsible for developing an aggressive program of minority business involvement at the Airport.

Mr. Singer said that there was not one place where someone could get that kind of information. Regarding the bid specs for the custodial contract, Mr. Singer said that no bid package had been released to anyone because staff does not have approval for the concept or for the budget. He said that the Airport could not release the package until the Airport had that approval.

Commissioner Kadish said that that problem was something that should be addressed immediately because people should not be given the runaround. She said that the public should be warmly received.

Commissioner Fleishell said that there should be an operator that can refer the caller to the proper area. He suggested that the caller be requested to write a letter which could be forwarded to the appropriate office.

Commissioner Goosby said that the Commission should not deal with administrative matters, but should deal with policy matters, and the policy should be that people are not treated abruptly.

Commissioner Kadish said that Commission policy is that we do not want people to be treated in ways that are demeaning.

9. Adjournment

There being no further business before the Commission, the meeting was adjourned at 5:02 PM.



Eric Craven
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION



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MINUTES

NOVEMBER 7, 1978

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

RUTH S. KADISH

President

MORRIS BERNSTEIN

Vice-President

WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
SPECIAL MEETING

November 7, 1978

Call to Order:

The Special Meeting of the Airports Commission was called to order at 1:07 p.m., in Room 282, City Hall, San Francisco, CA.

* * *

Roll Call:

Present: Commissioners Ruth S. Kadish,
Morris Bernstein, J. Edward
Fleishell, William K. Coblentz*,
Z. L. Goosby**.

Absent: None.

* * *

Pledge of Allegiance: Led by Commissioner Fleishell.

* * *

Adoption of Minutes:

On motion of Commissioner Kadish, seconded by Commissioner Coblentz, the following resolution was unanimously passed:

Resolution adopting the Minutes of the Airports Commission meetings of June 20, 1978, July 18, 1978, August 15, 1978, September 5, 1978, September 19, 1978 and October 3, 1978.

* * *

Adjourned at 1:08 p.m.
Adjourned at 1:10 p.m.

pecial Announcement:

ommission President Ruth S. Kadish requested that all presentations be
ept to a maximum time of 15 minutes, due to the length of the Calendar.

irector of Airports, Richard Heath, said that since he had just returned
rom vacation, he would ask Deputy Director for Business and Finance, J.
eter Singer, to present the agenda items.

* * *

alendar Items:

on motion of Commissioner Bernstein, seconded by Commissioner Coblentz,
he following item was placed before the Commission for discussion.

- 1) Resolution Approving Professional Services Agreement -
(Hotel/Motel Advertising Service).

This agreement covers professional services in connection with the hotel/motel advertising service at San Francisco International Airport for a five year term with provision for a five year extension at the Commission's option if both parties agree to terms and conditions. Necessary equipment is to be installed, operated and maintained by the party entering into the agreement and in return for 50 percent of the gross revenue.

Mr. Singer said that three firms had made presentations to the staff on October 24: Transportation Displays, Inc., Hart & Johnson and Victor Bacigalupi & Associates. He said that the Airport review committee had rated each of the presentations, and the two highest rated firms were present at this meeting to make their presentation to the Commissioners.

Transportation Displays, Inc. (TDI) was the first to be presented by Mr. Julian Prezzano, Executive Vice President and General Manager of TDI, and Mr. Joseph Hevia, Sales Manager. Mr. Prezzano gave a brief background on TDI, stating that the firm had been in operation for over 40 years, and hotel/motel reservation programs were part of the professional service his company provided. He stated that TDI operates at 150 airports throughout the country and presently holds another contract with the City and County of San Francisco. Mr. Prezzano said that his company proposed to provide technical and professional service and had the capability to build within 60 days of signing the contract, which was important due to the construction schedule, and to have the advertising board operative for the opening of the North Terminal. Mr. Prezzano said that an engineer would be provided to work with the staff in finalizing the details of the unit. The TDI proposal provided for the construction implementation, installation, sales and servicing of the unit, with a broad range of hotel advertising for travelers of every means. He visualized some 40 hotels, expanding to as many as staff desired, allowing advertisers to buy space suitable to their budgets. He said that plans call for direct automatic dial service telephone lines where a person

identifies the hotel/motel desired, presses a button and is connected. He said that TDI would offer a broad variety of services appealing to the business community, theaters, arts and tourist attractions, with many restaurants and other facilities providing brochures; bulletins or publications would be issued two or three times a year, listing various attractions.

Mr. Hevia said that the sales effort should be considered. He said that TDI has 29 sales offices with over a hundred salesmen. He gave a brief background of himself, as he would be the person assigned to the Airport. Mr. Hevia said that there were many requirements to be met for the phone boards and all changes recommended at the staff meeting could be met, and anything else the Airport wanted could be done.

Mr. Prezzano took over the presentation, saying that the company had been building hotel reservation boards at over 50 locations for 25 years for airport-related businesses. He stated that they would build the kind of board the Airport wanted, not what the company wanted to build; a unit that would work, with all price ranges, maintained at all times, easy to operate, with guaranteed performance in terms of dollars while recognizing revenues are not the only criteria; responsive to the needs of the Airport. He said that TDI would be able to provide needed service, and would send an engineer to work with staff to build the type of unit wanted that would meet the codes, the schedule, and would guarantee performance.

Commissioner Goosby asked how many employees were in the TDI organization.

Mr. Prezzano said that there were 300 people, with two sales representatives assigned to San Francisco and San Mateo Counties. He said that the company also handles bus advertising for the City of Oakland.

Commissioner Goosby asked how many were involved in the trucking end.

Mr. Prezzano said that there were eleven all told.

Commissioner Kadish asked if TDI was going to present a sample board or did they want the Airport to tell them what they wanted.

Mr. Prezzano responded that TDI merely wanted to demonstrate capability to build what was wanted and needed.

Mr. John T. Hart made the presentation for Hart & Johnson, giving a short background: they have been in business for 27 years; first firm to install hotel reservation phones in any airport, in St. Louis in 1947; only company exclusively in airport advertising; first to have the telephone company install automatic equipment. The local manager, Mr. Chuck Hodges, President of the St. Louis based company, Vice President Richard Morgan and Mr. Joe Thompson, who handles the Bay Area, were present and were introduced. Mr. Hart explained that his company does not have permanently assigned personnel, as they are moved to all different parts of the country from time to time; this keeps all personnel informed of developments in every area.

Mr. Hart presented and explained a sample board, saying it was flexible to meet many needs and suggested that San Francisco should feature San Francisco hotels. He said that other services which would be offered included current events, sports, movies, symphony, shows, etc. He said that the boards would reflect the attractions and personality of San Francisco. Mr. Hart said that ground transportation information to travelers would be provided, the area being

broken into four sections with a different brochure featuring each section, giving information on buses, approximate cab costs, trains, directions to BART, etc. He said that "you are here" units, showing ways to the closest transportation point could be of a "take one" type, with the story of the Airport on the reverse side. He said that since San Francisco was an international airport, many foreigners arrive and foreign travel information could be given. Mr. Hart suggested that this be done in four basic languages: French, Japanese, Mexican and German; others could be added. He said that a traveler could pick up a phone and get information, possibly supplied by their consul, and if further information was needed, it could be suggested they talk to the bilingual people at the Airport. He said that the service could be offered to Foreign Consuls, who could pay their share of the phone costs, but no advertising charge, for the service.

Commissioner Goosby asked what were the total number of employees employed by Hart.

Mr. Hart responded that none were assigned here permanently, but someone spent three weeks each month in the Bay Area. He said that Mr. Thompson, based in Salt Lake City, currently handles the Bay Area.

Commissioner Coblentz said that he, Commissioners Fleishell and Goosby had not attended the review session at the Airport and would like time to think over the presentations. Commissioner Coblentz moved that a decision be given at the next meeting, and Commissioner Bernstein seconded the motion.

Commissioner Bernstein questioned the scoring method used at the staff presentation, and asked Mr. Singer for an explanation.

Mr. Singer said that the basis for the scores was the opinion of the scorers regarding experience in the field, capability, etc.

Commissioner Kadish said that the matter would be taken under submission and an announcement made at the next Commission meeting.

Further discussion of this item, Item (1), follows Item (26).

* * *

On motion of Commissioner Bernstein, seconded by Commissioner Coblentz, the following item was brought before the Commission.

Petition Regarding Contract No. 1000.

This item concerns a petition for a public hearing by the Airports Commission to review the decision by the Engineer to authorize a substitute compression seal to be installed in Contract No. 1000.

This item strictly concerns itself with the question of whether Petitioners are entitled to a public hearing before the Airports Commission on their petition.

Deputy City Attorney James Woods explained that he had previously written to the Petitioner's counsel, listing the meeting time as 2:30 and that he had not had the opportunity to contact the counsel to inform him of the change of time. Mr. Woods requested that the matter be held over until 2:30 p.m.

Commissioner Kadish so ordered.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following item was unanimously approved:

A.B.C. Cigar Company, North Terminal Facilities, \$90,000.00.

No. 78-0290

Resolution approving the final plans and specifications submitted by A.B.C. Cigar Company showing the Newsstand/Bookstore and the Gift/Sundries shop in the North Terminal. This project consists of completing and furnishing tenant spaces in the North Terminal which have been allocated for these concessions.

The work will be done by A.B.C. Cigar Company at its own and sole expense and without rental credit. The estimated cost is \$90,000.00.

Mr. Singer explained that A.B.C. had been authorized to proceed with a gift/news/bookstore in the North Terminal. He said that the purpose of this item was to request approval of the A.B.C. plans and specification.

Commissioner Coblentz asked if this was only for the remainder of the term of the A.B.C. lease, and Mr. Singer replied that it was.

Commissioner Goosby asked if the lease was tied down very well, and Mr. Singer replied that it was.

Commissioner Bernstein asked if A.B.C. had agreed to this.

Mr. Leonard Leahy representing A.B.C. said that they had proceeded insofar as what was stated at the last meeting, that it was a matter of renegotiating the continuance of the lease. He said that they had followed the specifications of the original lease, but had not arrived at any decision regarding an extension. He said that they were proceeding on the understanding that the Airports Commission would continue to follow the agreement, with the lease to be renegotiated.

Commissioner Kadish asked if the plans and specifications had been reviewed by staff, Walter Landor and the San Francisco Airport Architects; and if there had been a presentation to the Commission.

Mr. Robert Lee, Deputy Director for Planning and Development, responded that the plans and space had been approved by staff previously, due to the time schedule, and that final renderings were being prepared for review at the next meeting.

Commissioner Kadish asked what would happen if the Commission didn't approve the resolution.

Mr. Lee said that A.B.C. had agreed to fixtures, lights, etc., which would conform to the general decor.

Commissioner Bernstein asked if the \$90,000 was for both the interior and exterior work.

Mr. Leahy replied that the \$90,000 was for interior work only, such as overhead water sprinklers.

Commissioner Goosby asked if the exterior was already in the Airport plans.

Mr. Lee responded affirmatively saying that glass walls, part of the 650C Contract were used in all instances except for the Host concession.

Commissioner Goosby asked why Host was excepted in regard to the exterior finish, and asked if the San Francisco atmosphere had been included.

Mr. Lee responded that A.B.C. had not requested any exceptions to the exterior and Host had made such a request.

Commissioner Bernstein asked if the exterior would be glass.

Mr. Lee said that it would be standardized glass with mullions.

Commissioner Bernstein wanted to insure that it would be attractive, with a touch of San Francisco atmosphere.

Mr. Lee deferred to Mr. John Bolles, architect for A.B.C.

Mr. Bolles said that, basically, the general construction of the interior confirms to the guidelines given by the Airport Architects. He said that all improvements are made within an exterior shell furnished by the Airport and that the fixtures and interior decor would be prepared by the Streeter Company, a subsidiary of Lytton.

Commissioner Fleishell spoke to Mr. Leahy, saying that there is only one year left on the contract, yet A.B.C. has proposed spending \$90,000. He said that he hoped there was no misunderstanding on the part of A.B.C. that at the end of the year period they would receive any preferential treatment in the North Terminal or the other terminals.

Mr. Leahy responded that his company has interpreted the language in the lease as it was written and their interpretation was that they have the right of first refusal and renegotiation.

Mr. Donald Garibaldi, Airports General Counsel, said that there was a provision in the lease regarding extension which was under dispute, as to whether the right of first refusal was provided and whether there was provision for an extension of five years to the lease. He said that the dispute must be cleared up as to the meanings and what provisions are included, before there can be an extension of the lease.

Commissioner Fleishell asked if it was not appropriate to resolve the matter in one negotiating package, as there was no point in resolving only 50 percent of the problem.

Mr. Garibaldi responded that the dispute will not be resolved at this time, and there is no negotiation on the right of A.B.C. to go into the North Terminal Building. He further stated that if the Commission intended to ask A.B.C. to modify their plans and space, there would be negotiable items; otherwise, not.

Commissioner Bernstein said that an attempt should be made to clarify the matter, as he couldn't understand an expenditure of \$90,000 for the privilege of selling newspapers for some months, especially in view of the rates charged by the Airport.

Mr. Leahy said that there had been prior negotiation with the Airport staff, and he felt that A.B.C. would be able to negotiate an extension.

Commissioner Bernstein asked if A.B.C. understood that they have first right to go into the North Terminal Building under a contract extending to September 1979, and that the Airport Architects, Walter Lander and the staff have approved their plans and space. He said that there is to be no change in the exterior of the A.B.C. installation, and that A.B.C. is willing, at this point, to expend the \$90,000 so long as those matters are clear.

Commissioner Kadish announced that other matters relating to other negotiations would not be discussed at this meeting.

* * *

On motion of Commissioner Coblenz, seconded by Commissioner Bernstein, the following resolutions were unanimously approved as amended:

Resolution Inviting Bids for Award of Insurance Counter Lease.

No. 78-0283

The successful bidder will operate the insurance counter in the Airport's North, Central and South Terminals for a term of five years with an extension, at City's option, of three years. The bid item is the annual dollar amount to be paid to the City with the minimum acceptable bid figure being \$35,000 per year, and 10 percent payable on all gross receipts over \$350,000 per year.

) Resolution Inviting Bids for Award of Baggage Storage Locker Lease.

No. 78-0284

The successful bidder will provide and operate the baggage storage lockers in the Airport's North, Central and South Terminals for a term of five years with an extension, at City's option, of five years. The bid item is the percentage of gross monthly receipts payable to the City with the minimum acceptable bid figure being 50 percent.

) Resolution Inviting Bids for Award of Shoeshine Lease.

No. 78-0285

There will be a separate shoeshine stand lease for the North, Central and South Terminals with no lessee being eligible for more than one of the three leases. Each lease is for a term of one year with provision for two extension, at City's option, of two years each. The bid item is the annual dollar amount to be paid to the City with the minimum acceptable bid being \$3,100 for the North Terminal, \$1,450 for the Central Terminal and \$3,450 for the South Terminal.

Commissioner Coblentz questioned Item (6), saying that in the shoeshine business there is usually a single entrepreneur for each location. He asked why a single bidder was considered for all the sites of this concession, and asked why this concession could not be divided among the three terminals to offer more opportunities.

Mr. Singer replied that, at the present time, there is an arrangement with one operator to handle the shoeshine business in the Central and South Terminals, but that there is no reason why there could not be an independent operator in each building. He said that consideration must be given to the fact that the number of passengers would vary in coming years.

Commissioner Bernstein remarked that separate concessions would present the opportunity for more people to go into business.

Commissioner Fleishell agreed that the concessions should be separate.

Mr. Heath asked if the Commission wanted the bid call structured so there would be three different concessionaires.

Commissioner Coblentz said that it wasn't very often that a concessionaire could come in with so little capital and recommended that the resolution be amended to allow bids to be invited for three separate operators and concessions.

Commissioner Bernstein brought up Item (4), saying that in response to a previous request staff had provided data on smaller volume airports, but no data on airports equivalent to San Francisco, data without which no comparison could be made. He mentioned that the other airports have a minimum guarantee for sales, with Portland the only one with a lesser amount than the proposed resolution.

Mr. Singer responded that data was not available to him on large airports.

Commissioner Bernstein commented that the sales presently seem to be decreasing but that perhaps there would be an upswing in sales.

Mr. Singer responded that there were many other ways of buying insurance, credit cards being a popular method.

Commissioner Bernstein expressed concern that the minimum bid was \$35,000 annually.

Commissioner Goosby agreed that it was too low saying that the proposed resolution would extend the term at a fixed amount with no control by the Airport.

Mr. Singer said that it was a gamble on insurance sales; if it was believed that sales would go up, a sliding scale would be appropriate.

Commissioner Goosby said that he thought it was inevitable that sales would increase due to the increased traffic.

Mr. Heath spoke, saying that people were being insured, not at the Airport, but through such mediums as American Express and Triple A. He said that trends show the number of insurance sales at airports is steadily declining, but people are buying regular policies instead. Mr. Heath said that although a clause could be inserted charging a percentage of the gross, he thought that it must be written on a guarantee basis.

Commissioner Bernstein agreed with Mr. Heath, saying that there should be a fixed amount, say \$350,000, and then perhaps ten percent of the gross over that amount.

Mr. Singer said that the bid could be constructed any way the Commission wished.

Commissioner Coblenz said that Item (4) should be sent back to staff for review, while Item (5) should be approved, and Item (6) approved as amended.

Commissioner Fleishell asked why contracts had to be invented new each time. He suggested obtaining a service whereby contracts are already prepared and the mathematical relations worked out. He said that contracts should specifically state that the Airport does have the right to audit and a clause should be written into contracts whereby the Airport should audit and if underpayment is disclosed, the concessionaire would pay the costs. He said that this could also be basis for cancellation of the contract, at the option of the Airport.

Mr. Heath said that the Commission had informally adopted a policy whereby the maximum number of dollars were not to be extracted from the public through retail concessions. He said that the staff was looking for unusual ways of bidding so as not to force the concessions to charge high prices because of the percentage due the Airport.

Commissioner Goosby questioned Item (5), which calls for a minimum annual gross revenue of \$200,000 yearly. He asked if a minimum of five years experience in public lockers within the past five years was required, and why such a high annual gross revenue was required when the Airport lockers generated only \$70,000 annually.

Mr. Heath answered that, due to recent bombings, the lockers had been moved to inaccessible places in the Central Terminal, and that the total number had been greatly reduced. However, he said that in the North Terminal, the number of lockers will be increased because of specially constructed walls and a great increase in business is anticipated.

Commissioner Goosby said that he thought the high figure was unnecessary and unfair as many people who could otherwise bid would be eliminated.

Commissioner Bernstein agreed that many new to the business would be eliminated.

Commissioner Kadish remarked that this type of business should allow smaller businessmen an opportunity to bid and suggested reducing the amount to a more manageable figure.

Mr. Singer suggested the Commission amend the resolution to either \$100,000 or some other satisfactory figure.

Commissioner Kadish said that \$100,000 was agreeable.

Commissioner Fleishell said that there was not enough protection for the City.

Commissioner Bernstein said that Mr. Harold Hecht, retail consultant, was taking the matter of internal controls into consideration.

Commissioner Coblentz stated that the bid as written makes the books, records and accounts available for review.

Commissioner Fleishell repeated his feeling that the Airport must have the right to audit and, if necessary, remove the concessionaire.

Commissioner Coblentz summarized the Commission's views: subdivide the shoeshine concession as discussed earlier; approve the Locker lease with a limitation of \$100,000 to bid; insert the audit provision into the leases.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolution was unanimously approved:

Rejection of Bids, Airport Contract No. 1161,
Remodeling Fifth Floor Offices, Central Terminal Building, \$176,300.

No. 78-0286

Resolution rejecting all bids for
Contract No. 1161, Remodeling Fifth
Floor Offices - Central Terminal.

The purpose of this contract was to relocate the Accounting Department to the vacated FAA area at the south-east corner of the fifth floor, so that the office space will be made available to house the Personnel and Permits Office, presently occupying area on the fifth floor. The space to be vacated by the Personnel and Permits Office was scheduled to be occupied by the City Attorney's Airport legal staff.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolution was unanimously approved:

- (8) Completion of Airport Contract No. 941
Improvements to Sewage Pumping Station No. 1.

No. 78-0287

Resolution accepting the work under Airport Contract No. 941, Improvements to Sewage Pumping Station No. 1 as satisfactorily completed; extending the completion date from March 7, 1978 to September 29, 1978; and approving final payment in the amount of \$6,867.10 in favor of the contractor W. R. Thomason, Inc., P.O. Box 2249, Martinez, CA 94553.

Mr. Heath explained that this was request for final payment to be made on Airport Contract No. 941, as the project was completed, albeit late.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolutions were approved; Item (9) unanimously, Item (10) with four ayes (Kadish, Bernstein, Coblentz, Fleishell) to one nay (Goosby):

- (9) No. 78-0288

Resolution ratifying the action of the Director of Airports acting in accordance with Airports Resolution No. 70-0044 to make various assignments to the San Francisco Airport Architects under the "Additional Services" section of their basic agreement with the City. No additional funds are required as money has been allocated from time to time in their contract for this specific purpose. The period covered for these assignments is from May 1978 through August, 1978.

- 10) Modification No. 25 to Professional Services Agreement, San Francisco Airport Architects, \$100,000.00

No. 78-0289

Resolution approving Modification No. 25 to Professional Services Agreement with the San Francisco Airport Architects and requesting the Controller's certification of said modification in the total amount of \$100,000.00.

This modification will replenish the "Additional Services and Reimbursable Expenses Account" in anticipation of further services required on continuing construction contracts and new contracts such as the FAA Control Tower.

Mr. Singer explained that these two items relate to the San Francisco Airport Architects' work which will continue for some period of time.

Commissioner Kadish questioned the item relating to changes accommodating valet parking, saying that no final decision had been made on valet parking.

Mr. Leonard D. Blackford, representing Airport Architects, said that they had been directed by staff to make surveys and some preliminary plans; that they had spent less than the \$500 authorized for the job; and that if the decision was made not to proceed, the work would be stopped.

Commissioner Kadish asked if the changes in the United Air lines baggage claim area had been requested by UAL.

Mr. Blackford responded that they had been.

Commissioner Kadish asked who the charges would be charged to.

Mr. Blackford replied that he was meeting with Mr. Jan Blais of UAL on a series of financial responsibility items and that a decision would be reached at that time.

Commissioner Kadish asked if passage of this item would be an assumption the Airport was accepting the cost.

Mr. Blackford said that the Airport Architects were doing a great deal of work for United, but that they are not paid directly by the airline.

Commissioner Goosby, questioning Item (9), asked if the additional duties were too complicated for in-house staff.

Mr. Lee told him that the majority of the items related to ongoing contracts for which the Architects have been chosen.

Commissioner Bernstein asked about the basis for establishing the fees.

Mr. Lee said that they were based on what was expected and from experience.

Commissioner Coblenz said that the money had already been set aside.

Commissioner Kadish commented that the Commission had requested that the changes be in the smaller amount of \$5,000 so there now were more frequent changes.

Commissioner Goosby asked why the professional services agreement was being increased by \$100,000.

Mr. Lee explained that this item was to set up the amount in the event it was needed for ongoing contracts.

Commissioner Goosby said that he had some difficulty learning what the Architect's attitude would be in regard to subcontracting work to minorities. He stated that until he received a commitment for an attitude he felt was correct and an implied agreement, he was not going to vote for this item.

* * *

Earlier in the meeting, this item had been brought before the Commission on motion of Commissioner Bernstein, seconded by Commissiner Coblentz:

Petition Regarding Contract No. 1000.

No. 78-0290

This item concerns a petition for a public hearing by the Airports Commission to review the decision by the Engineer to authorize a substitute compression seal to be installed in Contract No. 1000. This item strictly concerns itself with the question of whether Petitioners are entitled to a public hearing before the Airports Commission on their petition.

The recommendation is to deny Petitioners a public hearing.

Deputy City Attorney James Woods said that the Counsel for the Commission was now present and that the item could be properly considered.

Commissioner Kadish said that a question had been raised which was appropriate and significant to Airport business, and that the Commission, at its discretion, had deemed it important to hear the matter and there appeared to be no reason why a presentation could not be made, particularly a presentation on the part of a private citizen. She said that the Commission was not a court of law and it would not be in the best interests of the Commission to turn it into a court of law, the term "hearing" should not be so construed. She commented that the Commission had received material presented by Mr. DeBenedictis, but no material from the staff. She suggested that the Commission should have material from staff to peruse simultaneously with the material presented by Mr. DeBenedictis, and suggested delaying the presentation.

Mr. Woods told the meeting that litigation on this matter is pending. He said that any material presented to the Commission should be scrutinized in Executive Session, but that time was needed to prepare and organize such material.

Commissioner Kadish asked if there was any reason why Petitioner could not present his material and that any consultation and consideration on the part of the Commission could be held in private since it is subject to possible litigation, in accordance with the Brown Act.

Mr. Woods said that if a hearing is granted, statutory notices, court reporter, etc., must be provided.

Commissioner Kadish said that she was talking about a presentation, such as would be made by anyone.

Mr. Woods further explained that if his request was denied, the Petitioner would automatically go to Section 1086, Code of Civil Procedure. Mr. Woods said that Petitioner's legal rights are to then compel the Commission to grant a hearing.

Commissioner Coblentz said that the presentation should be granted.

Mr. Woods said that while a suit had not been filed, it was anticipated, however, and asked the Commission if they wished to hear Mr. DeBenedictis.

The Commission consented.

Mr. Dario DeBenedictis, said that he represented the manufacturer and distributor of a compression seal in the walls of the garage currently under construction. He said that the material was specified by brand name in the specifications and by model number, as required by law. He said that the contractor had permitted a substitution, had advised two other manufacturers of this, and had accepted the substitute. Mr. DeBenedictis disagreed with respect to the procedure followed by the contractor in obtaining the necessary approvals, the time and methods used, and the product itself, which he said did not meet the standards established by the contract for making substitution. From the material he had, he felt that the substituted material did not meet the specifications. He said that a change order had been offered, but that he had not been given the opportunity to examine the change order and the effect on the substitution procedure. Mr. DeBenedictis said that his purpose was to ask the Commission to hear the matter, and to review the decision made by the engineer charged with the responsibility of determining the policy on all contracts. He further said that the contract as administered, is not being administered as it should be with respect to the substitution of material. He said that it was necessary to appear before the Commission to exhaust any administrative methods available for remedying the problem rather than having the case tied up in Court. Mr. DeBenedictis asked that a decision be reached. He said that if the Commission found the engineer had acted in accord with the contractual procedures the matter would be dropped. He continued that if the City is paying for an item and getting something less than that item, that it was a matter of concern to him as representative of the manufacturer of the specified article, as the supplier of the product and as a taxpayer. Mr. DeBenedictis said that his clients were leading members of the construction material industry and were concerned that the materials used in such a substitution were not adhering to industry-wide standards.

Commissioner Coblentz, speaking to Mr. DeBenedictis, asked if he had standing since the City Attorney had maintained he was not a third party beneficiary and, therefore, had no standing.

Mr. DeBenedictis replied that his standing was in effect that of an unsuccessful bidder who has the right to see if, in fact, the material being used does meet specifications. He said that his client was entitled to consideration, but not necessarily an award. He further referred to a recent court case similar to this matter, and Commissioner Coblentz asked that copies be sent to him and to the City Attorney. He suggested that the Commission have the matter submitted, take the opportunity to review the material, and then come forth with a decision at a later time.

Mr. Woods denied that any of the cases cited by Mr. DeBenedictis referred to the issue of standing before an administrative body, such as the Airports Commission. He also said that Mr. DeBenedictis' client is not a bidder on Airport Contract 1000, and therefore his action must be against Robert E. McKee, Inc., the contractor, which is a different matter. Mr. Woods said that even if the matters asserted are correct, they in themselves do not give the case a standing; however the Petitioner can gain standing in Court by a writ of mandamus.

Commissioner Kadish said that the matter would be taken under submission.

Commissioner Fleishell said that there should be a time limit established as to when Mr. DeBenedictis can be assured of a hearing.

Commissioner Coblentz said that, speaking for himself, he would convey to Mr. DeBenedictis by next Tuesday, in writing, whether the hearing will be affirmed or denied.

Mr. Woods suggested that the Commission take under submission the question of standing, of a hearing, and assign a future time for an executive session.

Commissioner Coblentz said that there would be such executive session at the next meeting of the Commission, and that hopefully a decision on standing would be reached before then.

Mr. Donald J. Garibaldi, Airports General Counsel, reminded the Commissioners that any such decision must be publicized or there would be a violation of the Brown Act.

Commissioner Coblentz asked Mr. Woods if a taxpayer has the right to challenge the Commission.

Mr. Woods said that no taxpayer has such rights.

Commissioner Coblentz asked if Mr. DeBenedictis could be considered a bidder.

Mr. Woods said that a taxpayer could not.

Mr. DeBenedictis protested, saying that by analogy, he had the same rights as the bidder or any contractor; a supplier by name has as much standing as a bidder. He said that they all have an interest in the public administration of a public work contract; that they have the right to see that a public agency carries out a contract in accordance with the terms of that contract. He continued, saying that the law requests that contracts be made by public bid. Mr. DeBenedictis said that his clients have standing in court which should give them standing before the Airports Commission. He concluded by saying that they are seeking not to litigate but to see that the contract is properly carried out.

Commissioner Fleishell asked Mr. DeBenedictis if it would be helpful in the interests of time, to have a public hearing now.

Mr. DeBenedictis said that his clients were not anxious to go to court, because that would make solving the problem more difficult. He said that he felt that this matter was an administrative, not a legal, problem.

Commissioner Coblentz asked if in the event a hearing were held and the decision went against him, Mr. DeBenedictis was prepared to go to court. Mr. DeBenedictis said that if the Commission decided against his client, and the client agreed with that decision, the matter would be dropped.

* * *

Commissioner Kadish called for a 15 minute recess at 3:00 p.m. She said that there was no way to judge the length of the meeting, and that the 26 agenda items receive first priority.

* * *

The meeting reconvened at 3:15 PM, at which time Commissioner Kadish announced that the agenda items and that portion of the Director's Report which could be heard quickly would be dealt with. She announced that a special meeting would be held on Tuesday, November 14, 1978, at 3:00 PM, in Room 300, 101 Grove Street, the Public Health Building.

* * *

Mr. Woods presented a late request for extra time, which would provide the basis for the Engineer's decision at an executive session dealing with this item.

Commissioner Coblentz asked why material had not been prepared and stated that he would assume the material was already available.

Mr. Woods responded that the staff had not been contacted to ask for a point by point answer. Mr. Woods said that he would ask if the material could be prepared by next Tuesday.

Commissioner Kadish told him to do so, saying that some of the Commissioners might be absent from some meetings in the future, due to the holiday season. Commissioner Kadish asked that Mr. Howard Friedman, the architectural consultant, be present at the executive session, also.

Commissioner Fleishell remarked that there appeared to be a savings of \$100,000 from the substitution of different compression seals and asked if that would be a savings to the City or a windfall to the contractor.

Mr. Woods said that the money had been previously put aside and was not being spent on the Contract at present.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolution was unanimously approved:

- 11) Professional Services Agreement, Howard A. Friedman, Special Architectural Consultant, Modification No. 1 - Extension of Time.

No. 78-0291

Resolution approving Modification No. 1 to Professional Services Agreement between City and Howard A. Friedman & Associates, extending time of completion of contract to June 30, 1979, at no additional cost to City.

Mr. Singer said that this item relates to an extension of Mr. Friedman's contract at no additional cost to the City, but that it does change the hourly rate.

Commissioner Fleishell said that the Commission often hears there is no additional cost to the City. He asked if the same amount would really be paid. Mr. Singer responded that the total amount would not change, that originally, the contract would have ended by June 30, 1978, but that now, however, that time period will be extended to June 30, 1979.

Commissioner Kadish said that Mr. Friedman had been of inestimable help to the Commission in all instances in which he had been called upon.

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On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolutions were unanimously approved:

- 12) Professional Services Agreement, Modification No. 1, Extension of Time, Systems Operations Manual, Central Heating & Cooling Plant.

No. 78-0292

Resolution approving Modification No. 1, extending the completion date of the Professional Services Agreement with Gayner Engineers, Inc. from August 17, 1978 to December 15, 1978, at no additional cost to the City.

- 13) Professional Services Agreement, Tracor Sciences & System, Modification of Noise Monitoring System, Modification No. 3, Extension of Time (No Cost).

No. 78-0293

Resolution extending the time of completion of all work to December 31, 1978 in order to allow additional time to confirm satisfactory operation of the modifications and changes made to the system. All of the modifications to the system, including the revised software package, have been installed and are operating. No cost to the City.

Mr. Singer explained that both contracts were extensions of time only.

Commissioner Goosby asked why, in regard to Item (12), the company didn't provide the manual and procedures for operating the equipment as part of the contract. He asked if this should have been included or if more money would be spent for a manual.

Mr. David Matlock, Assistant Deputy Director for Engineering, explained that this company will establish a manual which is extended to serve as guidance for the system. He said that the supplier provides a book, but that all materials are now to be coordinated and put into a system for the operating personnel.

Mr. Ronald Wilson, Acting Deputy Director for Operations and Maintenance, explained that this particular contract had been put together from many different areas of expertise. He explained that the contractor himself is unable to start up the plant and that it was necessary that all areas be combined into one book to enable any person of reasonable knowledge to pick up the manual and be able to operate the plant.

Commissioner Goosby asked if this was a certified engineering firm coming in just to put the manual together.

Mr. Wilson replied it was.

* * *

On motion of Commissioner Coblenz, seconded by Commissioner Bernstein, the following resolutions were unanimously approved:

- (14) Modification No. 12 (Debit), Airport Contract No. 925, North Terminal Aprons and Reconstruction of Taxiways "S" and "SS", \$14,462.28.

No. 78-0294

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders No. 925-22 and No. 925-23 in accordance with Airports Commission Resolution No. 70-0044 and requesting Controller's certification of Debit Modification No. 12 in the amount of \$14,462.28.

This modification consists of relocating a 2" gas riser and installing a gas meter pad and guard post to meet P.G.&E. requirements. The work also requires modifying an existing water meter vault near Cargo Building No. 7 and blast fence foundation to accommodate field conditions.

- (15) Modification No. 13 (Credit), Airport Contract No. 925, North Terminal Aprons and Reconstruction of Taxiways "S" and "SS", \$1,605.00.

No. 78-0295

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders No. 925-24, 925-25, 925-26, and 925-27 in accordance with Airports Commission Resolution No. 70-0044; extending the contract completion date from September 19, 1978 to February 4, 1979; and requesting Controller's certification of Credit Modification No. 13 in the amount of \$1,605.00.

This modification consists of doing miscellaneous drainage and electrical work; deleting Phase V work and work required for an interim employees' parking lot; and adding paving work for the extension of Taxiway "A" to alleviate an unsafe field condition.

- (16) Modification No. 3 (Debit), Airport Contract No. 960, Road Graphics, \$3,570.00.

No. 78-0296

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders No. 960-8 and 960-9 in accordance with Airports Commission Resolution No. 70-0044 and requesting Controller's certification of Debit Modification No. 3 in the amount of \$3,570.00.

This modification consists of adding "Sam Trans" to the text of "Greyhound Bus" signs to designate bus stops; deleting installation of 13 signs and removal of nine existing signs due to delays in construction of the Parking Garage; and rotating Type "G" & "H" signs to the opposite side of the posts from the curbing to prevent damage to the signs.

- (17) Modification No. 37 (Debit), Airport Contract No. 1000, Ratifying Action of Director of Airports on Change Orders, Garage: Stage IV - Superstructure Addition, \$24,423.00.

No. 78-0297

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders 92 through 97, and requesting the Controller's certification of Modification No. 37 to Airport Contract No. 1000, in the total amount of \$24,423.00.

The work consists of changing finish on PA system speaker baffles, revises Central Plant toilet room accessories, furnishes one toll booth, adds a waterstop in utility tunnel at O-Line, revises the elevator cab control panel plaques and revises traffic and parking equipment.

- (18) Modification No. 39 (Debit), Airport Contract No. 1000, Ratifying Action of Director of Airports on Change Orders, Garage: Stage IV - Superstructure Addition, \$20,446.00.

No. 78-0298

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders 98 through 102 and 104, and requesting the Controller's certification of Modification No. 39 to Airport Contract No. 1000, in the total amount of \$20,446.00.

The work consists of surface mounting the hall position indicator for the service elevator at Stair No. 2.1; revising Central Plant Mezzanine Control Room window wall and room partitions; adding an S 6 x 12.5 core grating platform support beam; revising the splices in splice boxes No. 2, 3, 4 and 9; installing a sealant over the Segment 2 main power room expansion joint; and revising the valve tags.

- (19) Modification No. 4 (Debit), Airport Contract No. 1006, Ratifying Action of Director of Airports on Change Orders, North Terminal Complex - Graphics, \$11,937.00

No. 78-0299

Resolution approving and ratifying the action of the Director of Airports in approving Change Order No. 1, and requesting the Controller's certification of Modification No. 4 to Airport Contract No. 1006, in the total amount of \$11,937.00.

This modification consists of revising graphics panels and providing additional graphics panels in North Terminal Complex.

- (20) Modification No. 3 (Debit), Airport Contract No. 1122, Industrial Wastewater Collection System, Phase II, \$2,880.00.

No. 78-0300

Resolution approving and ratifying the action of the Director of Airports in approving Change Order No. 1122-4 in accordance with Airports Commission Resolution No. 70-0044 and requesting the Controller's certification of Debit Modification No. 3 in the amount of \$2,880.00.

This modification provides for additional length of steel casings for two industrial wastewater mains located within United Airlines lease area to accommodate field conditions.

Mr. Singer said that all the items, except for Item (15), were relatively straightforward and asked Mr. Matlock to make a presentation on Item (15), a credit.

Mr. Matlock gave a brief explanation, saying that there was a modification credit due to the constitution of the various contracts involved. He said that since work was a little behind schedule, United Air Lines will not be moving out as originally contemplated and that it would therefore be impossible to prepare an area to be used. He said also that the FAA had asked for the work to be done. He added that basically, the same amount of money is involved, and the credits and debits work out quite well, and that actually, more is being accomplished with the money than was originally planned.

Commissioner Kadish asked a question about Item (15), Item 4, a credit, regarding power and telephones, and about the guard shelter being relocated by a tenant contractor. She also asked what was meant specifically by a force account.

Mr. Matlock explained that there was an interim relocation of the guard shack, but that one of the tenants asked to move it in order to advance their own work. He said that the staff took advantage of this opportunity.

Commissioner Kadish commented that it was good to see a credit in Items (5), (6), (7) and (8), but questioned the complete deletion of an item for a temporary parking lot. She asked if there had been a breakdown on the original bid for this particular item.

Mr. Matlock said that most items were included in the bid, and that this was a legitimate credit.

Commissioner Kadish questioned Item (16), saying she did not completely understand change order No. 960-8, relating to a series of changes about lights. She questioned the deletion of the removal of certain signs, and wondered why all the changes varied in cost.

Mr. Matlock explained that there are different types of signs and different contracts involved.

Commissioner Kadish commented regarding Item (17), change order No. 92, that there is evidently a public address system on which the paint is going to be changed from satin brush with a clear lacquer finish to an entirely different finish at a cost of \$260.00. She commented that she had the feeling that the Airport was not getting a fair shake.

Commissioner Coblenz said that he had no question on the modifications, but with the details on the graphics. He said that he had received a letter from Walter Landor explaining the arrival and departure signing color scheme.

Mr. Howard Friedman, Architectural Consultant, said that these signs could possibly be improved but suggested leaving them for three months and, perhaps, changing them later.

Commissioner Coblentz suggested that this be taken into consideration, and that a survey should be made.

Commissioner Kadish agreed, saying that the subject relative to a survey is a very healthy one, if considered with passenger service and if there is an interest on the part of passengers. She thought it appropriate to set aside a small sum of money to make a survey, from which the response of Airport users could be utilized to evaluate the architecture and changes being made. She directed staff to prepare a resolution with regard to conducting such a survey.

Commissioner Goosby questioned the graphic panels in Item (19), saying that he noted four panels were added for \$11,000, and Modification No. 4 called for a \$12,000 revision. He asked why the cost for additional graphic panels and the cost for revision of those already planned and put up was different.

Mr. John Caproni, representing Construction Management Consultants, said that half of the \$12,000 was for new signs to be installed on the escalators.

Commissioner Goosby asked why they weren't put in originally.

Mr. Caproni said that it was the decision of the staff to add them.

Commissioner Goosby questioned the \$6,000 for revision.

Mr. Caproni said that they were in the process of fabrication but are being changed to a new type of material, mostly for clarification.

Commissioner Goosby asked if a contractor was given a contingency fund to cover any unexpected costs, and if the contract contained any fund that could cover Item (3) or Item (20).

Mr. Lee responded that some contractors insert a contingency fund to cover all items in the bid, but this is for their own benefit, not the City's.

Commissioner Bernstein questioned Item (14), and asked for a justification of a debit of \$531.00 to meet PG&E requirements. He asked if there wasn't enough given at the time the contract was written, and the plans drawn, or did PG&E see something else in the middle of the contract.

Mr. Singer explained that the extension of the gas lines were not originally called for in the drawings.

Commissioner Kadish stated that the Commission has been expressing a great deal of dissatisfaction about the modification process, something that is not new to the staff. She said that is not new to the staff. She said that as the work goes into the next phase, the matter of modifications must be monitored and kept to a minimum.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

- 21) Federal Aviation Administration,
Install REIL's at Runways 1R, 1L and 10R, \$17,000.

No. 78-0301

Resolution approving the final plans and specifications submitted by the Federal Aviation Administration showing installation of Runway End Identification Lights (REIL) for Runways 1R, 1L and 10R. The project consists of installing lights on the Runway 1R REIL pad which was constructed last year, and constructing two new complete REIL installations, one for the end of Runway 1L and the other for the end of Runway 10R.

The work will be done by the Federal Aviation Administration at its own and sole expense and without rental credit. The operation and maintenance of the REIL's will be by the FAA.

The estimated cost for this project is \$17,000.00.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolution was unanimously adopted:

- 22) No. 78-0302

Resolution consenting to Revocable License Agreement between Standard Oil Company of California ("Standard") and Japan Air Lines Co., LTD. ("JAL"), providing for JAL's use of a portion of Plot 8 for employee parking, subject to all terms and conditions of the Master Lease of that parcel between the City and Standard.

Commissioner Goosby asked if Standard Oil was leasing the area for employee parking, and if they were charging JAL the same amount of rent as was paid to the Airport.

Mr. Frank Nakashima, representing JAL, responded by saying there would be no charge for the rent.

Mr. Singer said that the necessary documents would be signed by both parties that day.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolutions were unanimously approved:

- (23) Trans World Airlines, Plot 3 - Improvement to Ground Vehicle Service Area, \$94,000.00.

No. 78-0303

Resolution approving the final plans and specifications submitted by TWA showing improvements to the ground vehicle service area at Plot 3. The work consists of installing two gasoline and one kerosene underground storage tanks; constructing concrete pads for washing, servicing, and fueling vehicles; and paving the remainder of the service area with asphalt to replace the present deteriorated pavement.

The work will be done by TWA at its own and sole expense without rental credit. The estimated cost is \$94,000.00.

- (24) Tenant Improvement: United Airlines Maintenance Operations Center, Demolition of Old Cafeteria Building, \$10,000.00.

No. 78-0304

Resolution approving demolition of Building No. B-21, Old Cafeteria Building; at the United Airlines Maintenance Operations Center. This building has been vacant since United moved its cafeteria into Building 15W, and is of no further use to United Airlines. The site will be paved for outdoor storage of ground support equipment.

The work will be done by United Airlines at their own and sole expense and without rental credit. The estimated cost is \$10,000.00.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following item was unanimously approved:

- (25) Final Payment - Professional Services Agreement, Touche Ross and Company.

No. 78-0305

Resolution accepting work performed under Professional Services Agreement authorized by Commission Resolution No. 78-0138, dated May 17, 1978, and approving final payment of \$16,772.00 to Touche Ross and Company.

Commissioner Goosby asked if staff was satisfied that the services requested were satisfactory.

Mr. Singer assured them that they were satisfactory.

Commissioner Goosby said that the Commission had asked staff to present some proposals of alternative options which could be offered for bids for the parking concession. He said that Touche Ross had apparently been asked for their recommendation, and asked if it was planned to have some of the Touche Ross options presented at the special Commission meeting on November 14.

Mr. Singer replied that the staff had presented recommendations and had specifically asked Touche Ross to investigate the question of alternatives. He stated that their reply was incorporated in the recommendation which will be given.

Mr. Joseph Skiffer of Synpark Inc. asked if this was an item which would be discussed at the open meeting and requested an opportunity to examine the alternative proposals.

Commissioner Coblentz objected.

Commissioner Kadish ruled Mr. Skiffer out of order as the matter would be discussed at the Special Meeting on Tuesday, November 14.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following resolution was unanimously approved:

(26) Modification No. 38 (Debit), Airport Contract No. 1000,
Garage: Stage IV - Superstructure Addition, \$42,382.00.

No. 78-0305

Resolution approving and requesting the Controller's certification of Debit Modification No. 38 to Airport Contract No. 1000, in the total amount of \$42,382.00.

This work modifies the fuel oil pumps schematic diagrams and related wiring to accommodate additional fuel tanks being provided for under Contract 1141 and provides for an operational fuel oil control system.

Mr. Singer explained that this item relates to some wiring for additional fuel tanks which were approved at the last Commission meeting.

Commissioner Kadish said that at that meeting a contract was authorized for some \$160,000 for the Central Plant Fuel Storage Area, and asked why this item of \$42,000 wasn't included in the original contract. She asked what had occurred that necessitated this separate item; why was there a piecemeal presentation.

Mr. Singer explained that this pertains to a separate contract. He said that during the staff's agenda meeting, there was considerable discussion relating to this matter. He explained that there are a number of modifications which may be in other contracts but which staff is not aware of at the time these contracts are presented on the Calendar. Mr. Singer said that he was certain Engineering and CMC would prevent such errors from occurring in the future.

Commissioner Kadish asked why there should be a modification within two weeks of a contract going out to bid.

Mr. Singer replied that this was not the same contract.

Commissioner Kadish said that they are still related contracts, that couldn't exist one without the other.

Mr. Singer agreed that there should have been some indication of the matter at the time of the bid call. He said that the whole matter should have been brought to the attention of management and the Commission.

Mr. Lee said that he should have explained at the last meeting that this work was going to be done under a different contract. He said that there have been four tanks installed near the garage, and that the controls for those tanks are in the garage contract, so that it seemed more appropriate to include this item in the garage contract, rather than to have it put under the tank contract, which calls only for the installation of the tanks. He apologized, saying that in the future, all such interrelations will be called to the attention of the Commission. He said that fortunately, \$200,000 had been set aside for the tank installation and the low bid was under that amount, so only about \$25,000 of the requested \$42,000 pertains to the new tanks while the remainder is for improvements to the existing fuel tank supply.

Commissioner Kadish guaranteed that the Commission would not, in the future, vote for any such piecemeal presentation. She stated that there must be an open declaration in a direct and forthright manner to the Commission.

* * *

On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was unanimously approved:

) Resolution Approving Professional Services Agreement -
(Hotel/Motel Advertising Service).

No. 78-030

This agreement covers professional services in connection with the hotel/motel advertising service at San Francisco International Airport for a five year term with provision for a five year extension at the Commission's option if both parties agree on terms and conditions. Necessary equipment is to be installed, operated and maintained by the party entering into the agreement in return for 50% of the gross revenue.

Commissioner Coblentz moved that the hotel/motel advertising be awarded to Hart & Johnson.

Commissioner Kadish asked for Commissioner Bernstein's opinion.

Commissioner Bernstein said that he had been at the staff presentation and Hart & Johnson made the best presentation and his only objection was to the rating system and the scoring done by the staff.

Commissioner Kadish said that based on presentations made to staff, her vote would have been for Hart & Johnson first, Victor Bacigalupi second, and TDI third.

Mr. Heath said that although he had not been involved with the previous presentation, that what is really being selected was a company. He said that the track record of Hart & Johnson at the Airport had been excellent. He said that TDI had previously had the hotel/motel advertising and, according to the previous administration, it had not been a good operation, so that on the basis of the track record, Mr. Heath said that his recommendation would be to give Hart & Johnson the contract.

Commissioner Goosby asked how the needs of the Human Rights Commission would be met.

Mr. Singer responded that Hart & Johnson did not have a resident staff as their policy is to move their personnel around the country, but that TDI did have a resident staff.

Mr. Heath added that Hart & Johnson now have the contract and have complied with all the rules and regulations.

Commissioner Goosby said that he didn't know what the "compliance" consisted of as he was awaiting the results of the Human Rights survey.

Mr. Singer requested the Commission to move forward on this item, saying that he would ask representatives of Hart & Johnson to contact the Human Rights Commission so that there would be an adequate answer to the Commissioner's questions.

Commissioner Kadish expressed concern about some details, such as fitting the suggested 30 foot board into a 20 foot allotted space, how the space would be divided, etc.

Commissioner Coblenz said that the staff could talk specifics with the firm later.

* * *

Director's Report

F. Permanent Use of Contract Guards at Security Outposts

Mr. Heath said that he would like an expression of Commission approval of contract out for guard service personnel, and to come back to the Commission in two weeks with a dollar figure. He explained that this would provide an excellent opportunity for a minority firm, since these guards are merely sitting in booths, checking people as they go by. He added that this item was presented merely as a policy matter, and that there would be an informal agreement prepared to be brought back for action on the next agenda.

Commissioner Goosby asked if this was a category of security guards which would require the same training as for policemen.

Mr. Heath replied that this job requires less training, because only the check points are covered.

* * *

C. Amendment of Rules and Regulations to Limit Signs on Solicitation Booths.

D. Holiday Traffic.

E. Follow-up on Use of Chlorine at Airport.

Mr. Heath explained that these were merely informational reports and will not be brought back to the Commission.

Commissioner Goosby asked about the rules on signs, and Mr. Heath said that there were new restrictions and he would look into it.

* * *

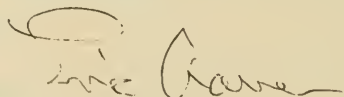
Introduction of New Business by Commissioners.

No new business was introduced.

* * *

Executive Session.

The regular meeting was adjourned to go into Executive Session at 4:15 PM.



Eric Craven
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

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DIANNE FEINSTEIN, MAYOR

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President

MORRIS BERNSTEIN
Vice-President

WILLIAM K. COBLENTZ

DR. Z. L. GOOSBY

J. EDWARD FLEISHELL

RICHARD R. HEATH

Director of Airports

San Francisco International Airport

San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING
November 21, 1978

1. Call to Order

The regular meeting of the Airports Commission was called to order at 2:30 PM, in Room 282, City Hall, San Francisco, California.

* * *

2. Roll Call

Present: Commissioners Ruth S. Kadish,
Morris Bernstein, Z. L. Goosby,
J. Edward Fleishell.

Absent: Commissioner William K. Coblentz.

* * *

3. Pledge of Allegiance

Led by Commissioner Goosby

* * *

4. Approval of Minutes

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was passed, its adoption being ordered by Commission President Kadish:

No. 78-0308

Adoption of Commission Minutes for
August 29, 1978 Meeting.

* * *

5. Calendar Items

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

(1) Retirement Resolution for Mike Bagan.

No. 78-0309

Retirement of Mike Bagan from
Airport service effective
November 7, 1978.

Mr. Richard Heath, Director of Airports, explained that the press of business precluded Mr. Bagan's attendance at the Commission meeting, and expressed his recommendation for the passage of the item presented.

Commissioner Bernstein asked if Mr. Bagan would be presented with the resolution at the reception to be held in his honor on December 1. Mr. Heath said that it would be.

* * *

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was discussed and then referred to Executive Session:

- (2) Reorganization: Modernization and Replacement Phase of the Terminal Construction Program.

This is the recommendation of the Director of Airports for a reorganization of the Program, in which three new classifications would be created: (a) Modernization & Replacement Program Administrator; (2) Chief Project Manager; (c) Project Manager.

There would be the creation of a "Bureau of Airport Terminal Construction", the head of which would be appointed by the Director.

This item authorizes the Director to proceed with the reorganization plans and to request Civil Service to study the responsibilities of each position and set an appropriate salary within the applicable salary standardization ordinance.

Mr. Heath explained in detail his recommendation for the organization and management of the Modernization and Replacement Phase of the Terminal Construction Program. He proposed that all responsibility be placed in a separate Bureau of Terminal Construction, which could be created by the Commission under provisions of the City Charter.

Mr. Heath said that he proposed a matrix style of organization which had proven successful in private industry where multiple products or projects had to be managed together, with common skills activities having to be coordinated and meshed together. He said that this type of organization is more efficient, ensures fixed accountability, and utilizes far fewer personnel. He explained that in this type of organization, the lines of authority flow in two directions. He proposed that the Program Administrator, who would report directly to the Director, would be given the same status as a Deputy Director. He continued that next in line would be a Chief Project Manager, supervising four or five Project Managers, each of whom would have the responsibility of managing a project and a team of specialists. He said that their responsibility would be to bring projects in on time and within budget.

He continued to explain that since common skills run throughout the projects, all the skills would report to a "Skill Manager." He said that this Skill Manager would ensure that these projects interface in a particular area and that everything which must be done would be done. He added that some functions would have to be coordinated with Operations and Maintenance.

Mr. Heath continued that, ideally, the skills would be available in-house to fill particular positions. He said that those Civil Service employees possessing the required skills would be pulled from their regular positions and put into the organization on a temporary duty basis; and where the necessary skills are not available in-house, personnel would be acquired from an independent contractor, such as is currently being done from Construction Management Consultants (CMC). He said that if possible, the Program Administrator and Project Managers would come from in-house, and added that it appears there are enough skilled people available to fill the Project Manager positions from Civil Service employees. He also explained that if a regular Civil Service employee did not work out in the temporary position, he would be returned to his regular position.

Commissioner Goosby inquired about the availability of a Civil Service list for various positions.

Mr. Heath explained that filling of positions would not be from the 'list' but that people would be moved from their regular positions to temporary jobs.

Commissioner Kadish asked about the procedures and the length of time to accomplish the reorganization.

Mr. Heath explained that he didn't know all of the procedures that would be necessary, but first the Airports Commission must approve his suggested plan and the resolution asking the Civil Service Commission to cooperate.

Commissioner Kadish remarked that possibly a precedent had been set in the Wastewater Management Project.

Mr. Heath agreed, saying that individuals from the Department of Public Works were filling jobs within Wastewater's matrix organization and other employees had been recruited from a private firm, all working together as a team under the Chief Project Manager and the Skills Manager.

Commissioner Kadish said, though, that the Wastewater organization was different from the proposed Airport organization, inasmuch as Wastewater was set up on a one-time basis for a one-time construction job.

Mr. Heath explained that he was suggesting the same thing: the organization would terminate when the M & R Program was completed.

Commissioner Kadish said that the proposed program would increase the degree of accountability while the overlap and lack of responsibility would be diminished or eliminated.

Mr. Heath said the proposed organization would allow direct accountability for all the individuals involved, although, he noted, the quality of the program would depend on who the Airport gets for Program Administrator and other key positions.

Commissioner Kadish said that she assumed Mr. Heath would select the personnel as the positions are exempt, as are the Deputy Directors, who are selected by the Director and approved by the Commission, and serve at the pleasure of the Commission.

Commissioner Fleishell asked why, since the North Terminal is being opened and the contracts are let, this type of management was needed at such a late date.

Mr. Heath responded that there is still \$150 million to be spent on construction for the South and Central Terminal remodeling, the garage and the connectors. Mr. Heath said that the present time appeared to be a good breaking point when moving from the Expansion portion of the Program, where an entirely new terminal building was being built, to a new phase which involves primarily the remodeling of existing buildings. He said that this phase will be the most difficult since remodeling must be accomplished while operations continue in the buildings, requiring more coordination with Operations and Maintenance staff than ever before. He said that a system-wide coordination is needed, and that this has been difficult to achieve in the past.

Commissioner Fleishell asked if present staff was unable to coordinate the projects.

Mr. Heath replied that past attempts have not been entirely successful.

Commissioner Kadish remarked that when Mr. Heath became Director, he inherited procedures developed by previous directors and that it was not always easiest to operate with someone else's procedures. She said that a new Director should be allowed to develop those procedures with which he can best function.

Mr. Heath explained that this proposal was setting up a new organization, using primarily, existing employees. He added, however, that a maximum of 25 outside employees would be needed as compared with the 50 or 60 now being used from CMC. He said that even if CMC was retained, there would be a decrease in CMC's staff because of the nature of the projects. He explained that this type of organization would eliminate duplication and the lack of coordination which had been present in the past. He said that the existing Airport Engineering was never designed to handle major construction programs, which was why a construction management firm had been brought in. Mr. Heath said that he felt the problems were in-house, rather than with CMC, and that the main problem was lack of accountability. He said that responsibility has been spread over the architects, CMC and in-house staff, making it difficult to pinpoint responsibility. He added that the proposed plan would allow that pinpointing of accountability.

Commissioner Goosby asked what the impact would be on the present Engineering Division.

Mr. Heath answered that Engineering would assign skilled people to work within the new organization, under the Project Managers, taking them out from Engineering itself.

Commissioner Goosby said that this subject should have been brought up in Executive Session, where discussion could be more detailed regarding personnel. He asked that, in the future, a subject of this magnitude be discussed in Executive Session. He asked what the Engineering staff would do.

Mr. Heath answered that as soon as a Program Administrator is appointed, he will accept applications from any member of the existing staff to fill the vacancies. Then, he said, if the applicants are accepted, they will fill the positions on a temporary basis. He said that if the Program Administrator is unable to obtain the necessary talent in-house, he would obtain that talent from an outside construction firm which does.

Commissioner Goosby asked what jobs the in-house staff would be doing.

Mr. Heath explained there were many smaller projects to be completed: the taxiway resurfacing, the new fire house, small remodeling jobs within the terminal complex, etc.

Mr. Heath said that over the coming year he planned to look into the Business & Finance and Operations and Maintenance divisions to see if they are overloaded with staff or what is lacking and would bring his recommendations to the Commission.

Commissioner Fleishell agreed with Commissioner Goosby that this item appeared to be a matter with direct affect on personnel and it would be more appropriately discussed in Executive Session.

Commissioner Kadish said that she assumed this topic had been brought before the Commission to enable staff to make contact with the Civil Service Commission.

Mr. Heath said that that was one reason.

Commissioner Kadish also agreed that it would be best to have the details discussed in Executive Session.

Commissioner Kadish asked Mr. Heath if the matter would have to go to the Board of Supervisors for approval.

Mr. Heath replied that it would not have to go to the Board, only to the Civil Service Commission.

Commissioner Kadish ordered the item put over to an Executive Session, immediately following the current meeting.

* * *

On motion of Commissioner Bernstein, seconded by Commissioner Fleishell, the following resolution was unanimously adopted:

- (3) Award of Contract No. 1188, Electrification of Exterior Signs, North Terminal Complex, \$16,578.00.

No. 78-0310

Resolution awarding Contract No. 1188, Electrification of Exterior Signs, North Terminal Complex, in the total amount of \$16,578.00 to Arrow Electric Company.

The work consists of extending electrical branch circuits and establishing new branch circuits to serve existing airside gate identification signs and exterior lower level airline identification signs in the North Terminal Complex.

Construction time is 30 calendar days.

Mr. Heath explained this was for the electrification of the exterior signs outside the North Terminal. He said this was the only bid, which came well within the Engineer's estimate, and asked that it be approved.

Commissioner Goosby asked if anyone knew why only one company bid.

Mr. Heath said that this was the second contract where only one bid was received. He said that there was so much construction work going on in the area that contractors just didn't need the work.

* * *

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

- (4) Bid Call, Airport Contract No. 1001,
Air Traffic Control Tower.

No. 78-0311

Resolution approving the final plans and specifications and authorizing the Director of Airports to call for bids for Airport Contract No. 1001, Air Traffic Control Tower.

The program provides for the construction of a tower at the landscaped plaza of the central open space of the Ground Transportation Complex. In addition to the FAA Control Cab located at the top of the tower, the structure also contains FAA administrative offices, city office space, utility services, one elevator, two stairways and the provision for addition of a future elevator.

The construction time is 600 days.

Mr. Heath explained that this item was a request for authorization to make the bid call for the Control Tower, which will rise out of the center of the Garage. He said that the drawings had been presented previously, and had been approved by the Art Commission, the FAA and were a part of the Airport Master Plan as part of the total terminal construction program.

Commissioner Kadish said that for the benefit of those Commissioners who hadn't seen previous presentations, she would like Airport Architects to make a presentation.

Mr. Leonard Blackford representing San Francisco Airport Architects, presented drawings and explained them, saying that the Tower would be in the center of the open space of the Garage, a location selected by the FAA a year ago. He said that it will have a primary steel frame, with concrete poured within. He said this tower design has been proven the most efficient, and has been subject to computerized seismic analysis equivalent to an earthquake of 8.5 on the Richter scale, with its center within a half mile. He said that the design was studied at the University of Ontario for wind effects which showed that an 80 mile wind might make some controllers slightly nauseous, but would not affect the equipment.

He described the design, saying that the Tower will be 210 feet above the apron; the bottom level will contain the basic equipment and office functions to support the Tower: training rooms, office, etc; there will be open truck access; the center of the basic structure will contain the elevator and stairways; there are several different working levels in the structure; the cab has provision for equipment and planned equipment; just below that, there will be a very complicated junction level with dumb waiters, toilets, etc; the level below, with the window will have two functions: first, airport space which will not be developed in this particular contract and for which primary justification was for use as an emergency Command Post (now located in the Business & Finance office); secondly, there will be the FAA lunchroom, radar room, toilets.

Commissioner Goosby asked who would run the lunchroom.

Mr. Blackford told him that the FAA would use it as a "brown bag" lunchroom. He said that Garage Contract 1000 had contained provisions for the irrigation, landscaping, retaining wall, etc., included in the tower design, but that when it became obvious the Tower would not be finished due to the delay in FAA negotiations regarding the signing of the lease, these items were pulled out of that contract and put into Contract 1001, the one currently under discussion.

Commissioner Fleishell asked why there were two separate contracts for this one project.

Mr. Blackford said that it is a project that is being bid in two sections in the event the bids are too high.

Commissioner Kadish remarked that if the money was pulled out of Contract 1000, it must have been set aside.

Mr. Blackford answered that the Garage was actually \$5 million under what was budgeted, but that that money was not added to the Control Tower.

Commissioner Fleishell said that he was new to this Commission, but it appeared that the Commission was faced with piecemeal treatment of the entire project and that he couldn't "get a handle" on what was going on. He said it seemed that since this was one project that it should not be bid separately.

Mr. Heath explained that under the bond issue, the money was set aside for two projects. He said that this particular project included the landscaping, but that considering the inflation factor, in order to keep the bids within budget, an alternative has been inserted in each contract. He said that if some alternatives need to be eliminated, the Tower could still function; the landscaping could be financed out of other funds. He said that if the bids come in over budget, the whole project would have to be rebid if these alternatives were not built in.

Commissioner Fleishell said that he could not agree because if only one contractor bids, only one profit margin will be taken.

Mr. Heath explained further that the project will be bid as one, but with alternatives.

Mr. I. Grindheim representing Construction Management Consultants, said that generally, landscaping is bid separately because the bids are usually lower. He said that in this case, however, it is being bid together and there is some concern that the bid will be over budget.

Commissioner Fleishell asked if there was a commitment to have trees and grass in the middle of the Garage area, when trees won't grow on highways because of fumes.

Commissioner Kadish asked what research had been done regarding what kinds of plants would grow there, considering that people couldn't live there.

Mr. Blackford said that there had been assurances from the landscape architect that there would be no problem. He said that the area was well protected from the wind; it is 200 feet in diameter and part of the whole concept of the Garage.

Commissioner Fleishell asked about the increase in noxious fumes in the Garage.

Mr. Blackford explained the complex fan system which will keep the air clean.

Commissioner Kadish asked that the landscape architect make a presentation at the next Commission meeting.

Mr. Blackford said that the open space had been agreed on in 1972.

Commissioner Fleishell said that there were a lot of things he would have disagreed with if he had been on the Commission then.

Mr. Blackford said that he had received a letter from the Estimator saying that until August 1978, the estimated cost of material and labor had been very accurate. He said that the Estimator felt that there could be a ten percent fluctuation in the future, due to an inordinate amount of work being offered on the San Francisco market. He said that while the bidding will be accomplished after the first of the year, construction will not begin until August, due to the long lead time necessary for the steel. He explained that pile driving will not start until the existing circular ramps are demolished. He said that it was the responsibility of the Airport Architects to advise the Commission of market conditions which might affect the bids, and therefore had presented this statement.

Commissioner Kadish asked if the driving of the piles in the central area would affect the Garage itself and the maintenance of the Garage and their budgets. Mr. Blackford replied there may be some affect when the piles are driven but that after the concrete is poured, there would be no dirt; so in sum there would be a very minimal effect on the Garage.

Mr. Grindheim said that he agreed that the construction in the center of the area would have a minimal affect; the major problem would be at the entry to the Garage, where the trucks will use a down ramp. Mr. Grindheim said that after working with the Airport Police and the Traffic Engineer, the decision was made that it might be necessary to close the basement level to the Garage to allow for the construction work, and the down ramp will be impacted and at times closed to regular traffic. He said that special clearances for the trucks have been built into the down ramps. He added that at most only one level would be shut down.

* * *

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

- (5) Bid Call, Airport Contract No. 1114,
Landscaping and Street Furniture - North Terminal.

No. 78-0312

Resolution approving the final plans and specifications and authorizing the Director of Airports to call for bids for Airport Contract No. 1114, Landscaping and Street Furniture - North Terminal.

The purpose of this contract is to provide planters, plants, benches, ash urns, trash receptacles, and an irrigation system for the upper and lower level sidewalks and traffic islands in front of the new North Terminal similar to that provided for the Central and South Terminals.

Construction time is 90 calendar days.

Mr. Heath explained that this item would allow the bid call on the street furniture, wooden benches such as are in front of the Central and South Terminals and the trash containers, etc. that will be used in front of the North Terminal.

Commissioner Goosby asked what the restrictions were with respect to financial responsibility and experience.

Mr. Heath answered that, basically, anyone could bid who has the ability to do the work.

Mr. Robert Lee, Deputy Director for Planning, Development and Engineering, said that any craftsman could build the furniture, and that Engineering has the specifications.

Mr. Heath added that the furniture in front of the older terminals could be used as models.

Mr. Blackford said that there were certain standards required, such as matching the trash containers now in use.

Mr. Heath said that this was a very open bid and that there were no restrictions as to past gross business or experience on the part of the bidder.

Commissioner Kadish expressed her hope that there would be a very active selection of bidders from all segments of the communities in and around San Francisco.

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On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

- (6) Bid Call, Airport Contract No. 1190,
Miscellaneous Coverings North Terminal, "H" & "I" and Connector.

No. 78-0313

Resolution approving the final plans and specifications and authorizing the Director of Airports to call for bids for Airport Contract No. 1190, Miscellaneous Coverings, North Terminal, "H" & "I" and Connector.

The purpose of this contract is to provide plastic graphic panels and directory holders at white courtesy phones, plastic covers at fire hose cabinets and stainless steel and plastic covers for utility openings in precast column jackets in various locations in North Terminal and Boarding Area "H" & "I".

Construction time is 60 calendar days.

Mr. Heath explained that this resolution would allow the Airport to issue a bid call for a number of things necessary due to changes in the plans for the North Terminal.

* * *

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

- (7) Bid Call, Airport Contract No. 1191,
Exit Stairway, North Terminal Gate 68.

No. 78-0314

Resolution approving the final plans and specifications and authorizing the Director of Airports to call for bids for Airport Contract No. 1191, Exit Stairway - North Terminal Gate 68.

The purpose of this contract is to construct a fire exit stairway for Gate 68 which could not be built with the North Terminal building due to conflict with the existing cart road.

The cart road is now scheduled to be rerouted at the beginning of the demolition of existing Pier "b" and the space for the stairway will become available. The stairway at Gate 68 will be used by Air California for loading and unloading until their Jetway is available.

Construction time is 90 calendar days.

Mr. Heath said that this contract would give Air California another, necessary fire stair exit.

* * *

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

- (8) Rejection of Bid for Airport Contract No. 1171, Enclosure for Unassigned Spaces, Boarding Areas H & I.

No. 78-0315

Resolution rejecting the sole bid received for Contract No. 1171, Enclosure of Unassigned Spaces, Boarding Areas H & I.

The purpose of this contract was to enclose unassigned spaces in Boarding Areas H & I with temporary walls constructed of metal studs and cement plaster for safety and security reasons.

Bid received on October 30, 1978.

1. J.M. Construction.

As this bid is far in excess of the Engineer's estimate of \$45,000, it is recommended that the bid be rejected.

Mr. Heath said that this was a contract for which only one bid was received. He asked for approval to refuse this bid and to hold up this project until the whole construction picture gets better. Mr. Heath suggested using a 3-foot chain link fence in the meantime for security, but said that it might cause problems because it was only a temporary solution.

Commissioner Kadish asked if there would be security problems.

Mr. Heath explained that there would be some, because obviously a 3-ft fence was not very secure. He added that there would be a problem in keeping the airfield side clear and free of trash.

Commissioner Goosby asked for what use had this area under the Boarding Areas been planned.

Mr. Heath told him it was unassigned space, originally planned for utilization by United Air Lines or another tenant. He said that when it was finally leased, the airline taking it would be asked to enclose the area.

Commissioner Bernstein suggested that the staff consider movable panels, such as are often used in private construction, saying they were reusable, removable and resaleable, and offered to suggest the names of suppliers.

* * *

On motion of Commissioner Fleishell, seconded by Commissioner Bernstein, the following resolutions were unanimously adopted:

- (9) Modification No. 4 and Completion of Airport Contract No. 960, Road Graphics.

No. 78-0316

Resolution accepting the work under Airport Contract No. 960, Road Graphics, as satisfactorily completed; approving and requesting the Controller's certification of credit Modification No. 4 in the amount of \$91,463.87; extending the completion date for Phase I from April 1, 1978 to September 30, 1978 and Phase II from August 15, 1978 to September 30, 1978; and approving the final payment in the amount of \$90,605.05 in favor of the contractor, Rosendin Electric, Inc., P.O. Box 5061, San Jose, California 95150.

- (10) No. 78-0317

Resolution approving and requesting the Controller's certification of Debit Modification No. 40 to Airport Contract No. 1000, in the total debit amount of \$168,746.00.

The work completes specific areas in Contract 1000 which are essential to operating the North Terminal complex prior to the terminal's scheduled opening date.

Mr. Heath said that Item (9) is a credit modification of \$91,000, which is good news. He added that the bad news was that about half that amount will be in a contract modification coming up in the future, but that there would be an overall saving of about \$40,000.

Mr. Heath said that Item (10) provided for overtime work necessary to complete the Garage in time for the opening of the North Terminal. He asked Mr. Grindheim about the modifications.

Mr. Grindheim told the Commission that this item was for a large amount of overtime. He estimated that November would also be high, but that the amount would go down in December.

* * *

- (11) Tenant Improvement: Air California, North Terminal Facilities, Ticket Counter, Passenger Lounge, and Ramp Facilities, \$180,000.

Resolution approving the final plans and specifications submitted by Air California showing their North Terminal ticket counter, boarding area passenger lounge and ramp facilities.

The work consists of constructing, finishing, and furnishing their ticket counter in the lobby and their passenger lounge in the frontal gateroom, and constructing ramp facilities, including the installation of passenger loading bridges.

The work will be done by Air California at its own and sole expense and without rental credit. The estimated cost is \$180,000.00.

Mr. Lee explained that no Air California representative was in attendance to present the final revised plans and specifications, and requested the item be taken off calendar.

Commissioner Kadish ordered it taken off calendar.

* * *

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

- (12) United Airlines Maintenance Operations Center, Improvements to Utility Tunnel, \$90,000.00.

No. 78-0318

Resolution approving the final plans and specifications submitted by United Airlines showing proposed improvements to the Utility Tunnel at the Maintenance Operations Center. The work consists of repairing, and sealing cracks in the tunnel walls; cleaning and painting all exposed metal to control corrosion; and installing additional sump pumps in the floor of the tunnel.

The work will be done by United Airlines at their own and sole cost and without rental credit. The estimated cost is \$90,000.00.

Mr. Heath explained all the work would be done at United Air Lines' expense.

(more)

Commissioner Fleishell said that in the past week he had received letters and other representations that the Airport had made agreements on a hand shake basis in the past. He said that he wanted to make sure that there would be explicit notification in all contracts that only agreements approved by the Commission would stand as valid agreements with the Airport.

Airports General Counsel Don Garibaldi said that such notification would be included.

* * *

On motion of Commissioner Bernstein, seconded by Commissioner Fleishell, the following resolution was unanimously adopted:

- (13) Resolution Approving Contracting Out for Certain Security Guard Services and a Supplemental Appropriation Funding Same.

No. 78-0319

This resolution will approve going out to contract for Security Guard Services to man the Security Check Stations at the entry points to the Air Operational Area and funding in the amount of \$230,902.00 to cover these services during the period of February 1, 1979 through June 30, 1979. Additionally, this resolution will approve requesting the Board of Supervisors' approval, which is required under Charter Section 300-1 (Proposition "J").

Mr. Heath explained this item, saying that because of the late approval of the budget it would be impossible to hire and train police officers in time for the opening of the North Terminal. He said that it would therefore be necessary to request a supplemental appropriation from the Board of Supervisors, and that this resolution was requesting approval to go to the Board.

Commissioner Goosby said that he thought that unless the Civil Service Commission (CSC) develops a fitting job classification the positions would not be temporary, and that the hiring of personnel in this manner was a method of obtaining lower salaried people to do this type of guard duty.

Mr. J. Peter Singer, Deputy Director for Business and Finance, explained that this was a continuation of a service originally requested on a temporary basis.

Commissioner Goosby asked if it was planned to renew the contract at the end of the next fiscal year.

Mr. Singer replied that it was.

Commissioner Goosby asked if there had been any comment from the Finance Committee of the Board of Supervisors in regard to the janitorial contract requested by the Department of Social Services for their Otis Street Building.

Mr. Heath told him that it had not been approved but was scheduled for the next Finance Committee meeting.

Commissioner Goosby commented that this was the second resolution of this type the Commission had passed, and that he understood there had previously been a confrontation between SEIU; Local 400 and the School Board, who had refused to approve their contract after hearing both sides of the question. Commissioner Goosby wondered if there had been any comment to the staff from CSC or SEIU in relation to this contract.

Mr. Singer said that there had been no direct comment to date from SEIU, who had been advised that such a janitorial contract was being considered. He stated that prior to the Commission meeting he had met with representatives of the Finance Committee, who had informed him that there were questions about the cost figures and that the matter might not be heard for another week.

Commissioner Goosby commented that he was nervous about the Commission's failure to have an affirmative action policy, and that he had been receiving letters and messages questioning whether this action was to the best advantage of certain sections of the community. He said that he was going to vote to approve the item, even if the particular job did not have a minority policy, but that there was a responsibility to build in as much of a commitment to affirmative action as possible. Commissioner Goosby said that he had asked SEIU, Local 400 to contact him, as there was also a responsibility to Civil Service.

Mr. Heath said that when this contract goes out to bid, the requirements for an affirmative action program will be in it, and the successful bidder will be reviewed by the Human Rights Commission.

* * *

Director's Reports

A. Appointment of Affirmative Action Committee

Mr. Heath reported that he had appointed a committee to work out an Affirmative Action Policy and had discussed this matter with Mr. Grant Mickens of the Human Rights Commission, who had approved the appointees. He said that included on this committee, which will be convened as soon as possible, are Mr. Mickens, Wilson Chang from Asian, Inc., Gerald W. Johnson, President of the Black Business Association, David Orozco, representing the Hispanic community, and Haenes Wachsmuth, Jr., Director of Labor Relations at W. B. Contractors. He said that a report will be made to the Commission on any actions.

Commissioner Kadish mentioned that there were no women on the Committee.

Mr. Heath replied that he was confident that the woman Commission President would assure that women were represented adequately.

* * *

B. ABC Presentation: Revised Renderings of North Terminal Newspaper and Gift Shop.

Mr. Heath introduced Mr. Vince Matkovich and Mr. Don Nichols who presented ABC's revised plans for the North Terminal newspaper/gift/book shop, explaining the revised plans and showing the samples of color and material to be used.

Commissioners Kadish and Goosby had questions about the location in relation to the drawings, and this was explained.

Commissioner Fleishell said that he recalled that this was the firm that had only one year remaining on its contract.

Mr. Garibaldi affirmed that the ABC lease would terminate on September 1, 1979.

Commissioner Fleishell said that the Commission should not be in the position of having to buy out the ABC fixtures if they were not the successful bidders. Commissioner Fleishell said that he did not want to have the Airport in a position such as it found itself vis-a-vis the car rental agencies; the car rental agencies were claiming that the Airport was obliged to purchase their buildings. Commissioner Fleishell said that ABC should either come to an agreement with the successful bidder or plan to abandon the fixtures.

Commissioner Bernstein and Mr. Heath agreed with this statement.

Commissioner Kadish said that she assumed that ABC had cleared the revised plans with the San Francisco Airport Architects.

Mr. Nichols said that they had.

* * *

C. Report on AOCI Meeting Regarding Impact of Deregulation.

Mr. Heath asked Mr. Singer to report on his recent trip to the AOCI meeting held in Washington, D.C. for discussion of the Deregulation Bill and the failure of Congress to pass the Anderson Noise Bill.

Mr. Singer reported that representatives of approximately 12 airports had attended the meeting to discuss the questions of airport capacity and deregulation. He said that several items were worthy of consideration. He said that the Civil Aeronautics Board is phasing out its activities and in its remaining days it is stressing increased support for mechanical flight separation, more and closer parallel runways, and the use of more point-to-point service rather than hub-spoke contacts, where all airplanes generally go into a central spot, such as the current utilization of Atlanta.

He said that much concern was expressed over the failure of Congress to pass the Anderson Noise Bill, as it was presumed there would be less support for such a bill in the future.

He added that to address this, a number of airports felt they should adopt regulations similar to San Francisco's noise regulations, feeling that if universally adopted, the airlines would be more concerned with retrofitting and obtaining quieter equipment. He said that there were a number of discussions about the increased traffic this past summer and, it appears, with the greater amount of travel, older equipment is being utilized. He said that questions were raised whether the increased traffic is a long-term trend or if people made trips earlier that they were planning to make anyway. He said that New York and San Francisco expressed concern about capacity and ability to accommodate additional service, while Atlanta, Dallas and Houston, wanted all the business they could get. He said that there was concern that airlines would not be interested in serving the smaller airports and also concerns about disposition of the ADAP Trust Fund, some \$2 billion gathered from the sale of tickets and intended for use in the development of airports. He explained that the Anderson Noise Bill had looked forward to utilizing this Fund for retrofitting and now that the Bill is dead, the airports are attempting to obtain the funding for their own use. He said that as an example, Los Angeles could use a billion of that money to doubledeck its roadways, for the planned new airport at Palmdale and for general aviation purposes.

Mr. Singer said that there were questions with respect to airports, the environment and the role of the proprietor in dealing with the growth of the transportation problem: first, getting from the airport to the city, particularly as airports are moved further away; secondly, the general interest of regional airport authorities in maximizing use of airports; thirdly, noise-related matters; fourthly, "slot" related matters; and finally, minimizing general aviation problems. He said that it was generally felt that "slot" rates and times could not be adopted by any single airport operator, but must be a federal responsibility to avoid confusion similar to that generated by Tokyo's deadlines. He said that the noise problem must also be dealt with on an economic basis.

Commissioner Goosby asked if the airports were to prepare presentations for the use of the \$2 billion and asked if Los Angeles would formulate such a presentation.

Mr. Singer said that LAX would make a presentation so would San Francisco.

Commissioner Goosby spoke of the concern of San Mateo residents that San Jose and Oakland airports are under-used, and he suggested that as a way to use the money, a study could be made of the feasibility of developing a regional airport authority.

Commissioner Kadish agreed that if there was to be a scramble for the funds, San Francisco would join the scramble.

Mr. Singer said that there would be another meeting in Washington, D.C. concerning noise problems on December 7th.

* * *

- D. Retirement Resolutions: Richard Rogers, Plumber; Woodrow Harper, General Laborer; Stanley Robson, Carpenter.

By order of Commission President Kadish, the following resolution were adopted:

No. 78-0321	Retirement resolutions for
No. 78-0322	Richard Rogers, Woodrow Harper
No. 78-0323	and Stanley Robson.

Mr. Heath stated that with the Commission's approval he would prepare retirement resolutions for Woodrow Harper, General Laborer, Richard W. Rogers, Plumber and Stanley Robson, Carpenter.

* * *

Communications

- A. Transit Link Between San Francisco International Airport and Southern Pacific Railway Station.
- B. FAA Appreciation of Airport Actions to Return Runway 1R to Service.

Mr. Heath said that there were two letters, neither requiring action; one gave background information on a transit link between the City and the Airport, and the other expressed the FAA's appreciation for the quick return to service of Runway 1R.

* * *

Introduction of New Business by Commissioners.

- A. Community Workshop in San Mateo County

Commissioner Kadish said that the forum held November 16 was a most successful gathering of people from various groups including airports, communities, airlines, the FAA, the residents of San Mateo County's different cities. She said that she had sent congratulatory letters to the people who staged the workshop. She said that one noticeable thing was the lack of hostility present; she said that people asked "What can we do" instead of "Why don't you do...".

* * *

B. Addition to Noise Regulation

Commissioner Kadish said that prior to the next get-together of this group she would like to request the Commission to go on record as recommending an amendment to the May 17, 1978 noise regulation. She said that the addition should state that in view of the possibility of increased noise caused by new airlines operating out of SFIA resulting from federal deregulation, the Commission expresses its continuing concern with the potential for increased noise. She said that it should also state that new airlines only be given a permit to operate if all their airplanes have been certified as being in compliance with FAR 36 requirements and that any new carriers wishing to operate in the Bay Area should consider operating out of San Jose and Oakland, as well as San Francisco. She said that the question would be raised if this would be discriminatory in view of the airlines now operating only in San Francisco, but there is necessity for the recommendation. She asked Mr. Heath to comment on her statement with respect to the discriminatory factors.

Commissioner Goosby objected, saying that this matter had not come to the Commission earlier and he felt there should be a full discussion of the pros and cons of this proposed policy. He said that it was important to hear from that portion of the communities which felt new business was profitable and beneficial, as well as from those who felt certain conditions should be set.

Commissioner Kadish said that numerous meetings and hearings had been held, and that all relevant material was available for the Commissioners to read.

Commissioner Goosby said that regardless of the number of hearings, another should be held before a policy is set.

Mr. Heath commented that the FAA Regulations explain most of the requirements, and that the Anderson Bill would have put them into law.

Commissioner Kadish said that if the Airport did not move ahead in response to the problems, as well as the strong feelings of the Airport's neighbors in San Mateo County, the Commission would be derelict in fulfilling its charge. She said that the AOCI had asked individual airport operators to respond. She continued that, at the time the noise regulation was passed last May, San Francisco Tomorrow, an active environmental organization, had come forth with recommendations for further amendments, but that this organization had stated that they were late in getting their suggestions in and would understand if they were not included. She felt it would be appropriate for the staff to study these recommendations at this time. She continued that she didn't think the Commission would hear anything different in new hearings, but that there might be a change in the intensity of what develops in view of deregulation.

Mr. Heath made the suggestion that staff develop a draft of the proposed amendment of the existing noise regulations along the lines suggested by Commissioner Kadish, and review the suggestions made by David Lilly of San Francisco Tomorrow. He said that when suggested amendments were drawn up, the Commission could decide about the public hearings.

Commissioner Goosby said that it was imperative to hear from such groups as the Chamber of Commerce and the Downtown Association before taking a position of cutting off new airlines into the Airport.

Commissioner Kadish instructed the staff to send all pertinent material to the new Commissioners.

Mr. Heath agreed that this would be done.

* * *

Adjournment

There being no further business, the public meeting adjourned at 4:13 P.M. and the Commission went into Executive Session.



Eric Craven
Commission Secretary

SAN FRANCISCO AIRPORTS COMMISSION



MINUTES

DECEMBER 5, 1978

JAN 20 1979

DOCUMENT NO. 100-7
89-21000-1000

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

RUTH S. KADISH
President

MORRIS BERNSTEIN
Vice-President

WILLIAM K. COBLENTZ
DR. Z. L. GOOSBY
J. EDWARD FLEISHELL

RICHARD R. HEATH
Director of Airports

San Francisco International Airport
San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING
December 5, 1978

1. Call to Order

The regular meeting of the Airports Commission was called to order at 2:30 P.M. in Room 282, City Hall, San Francisco, California.

* * *

2. Roll Call

Present: Commissioners Ruth S. Kadish,
Morris Bernstein, Z. L. Goosby,
J. Edward Fleishell*, William
K. Coblentz**.

Absent: None

* * *

3. Pledge of Allegiance Led by Commissioner Bernstein.

* * *

4. Approval of Minutes

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was adopted by order of Commission President Kadish:

No. 78-0324 Adoption of Commission Minutes
for May 17, 1978.

* * *

5. Secretary's Report

Mr. Eric Craven, Secretary to the Airports Commission, reported that Agenda Item #2 on the calendar for the Commission meeting of November 21, 1978, considered in Executive Session because it pertained to personnel matters, was unanimously passed, the statement is attached and included by reference.

* Arrived at 2:33 P.M.

** Arrived at 4:55 P.M.

Calendar Items

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following matter was placed before the Commission for discussion in a public hearing:

Public Hearing on 1979-80
Airports Commission Budget
in the proposed amount of
\$76,519,337.00.

Mr. Richard Heath, Director of Airports, started the discussion by saying that this was a public hearing, and that action on the matter is planned to take place at the December 19, 1978 meeting.

Mr. Heath made a few general comments, saying that there was obviously a large overall dollar increase from \$63.5 million to \$76.5 million. He explained that the new budget is based upon the North Terminal's operation for the entire year, while last year's was for the operation of the North Terminal for several months only. He added that another factor to be considered is that there will be an increase in the rates and charges to the airlines, either in terms of increased landing fees or space rental rates.

Mr. Heath commented that one thing was happening in the airline industry which was unexpected: the number of passengers had increased by 14 to 16% for this calendar year, while the number of flights had only increased by 4%. He explained that while the landing fees are based on the number of flights, not passengers, the airport workload is based on the number of passengers. He said that the fees charged are based on landing weight, and that weight is determined by the number of landings made and the type of aircraft. He said that a study is being made comparing the operations of all the airlines operating at the Airport this year with previous years. He said that it indicates that there has been a tremendous increase in the number of smaller aircraft, such as 727's and 737's, but a decrease in the number of 747's, DC 10's and L1011's, meaning that the weight of aircraft expected to land is greater than the actual weight landing. He added that 727's and 737's are more readily available for purchase to the airlines which would explain their increased use. He said that the projections were based upon extensive surveys of each of the airlines. He said that obviously, the low fares and the competitive situation were causing shifts in the industry and while it was impossible to know exactly what the shifts were and why they were occurring, they were noticeable. He said that a major factor to be dealt with was that although the number of passengers may go up dramatically, the income will not necessarily go up equally; it most likely will increase at a much slower rate. Mr. Heath added that the budget will not automatically go up with an increase in the number of passengers, either, but that was a strong possibility. Mr. Heath said that the number of jobs and the need for additional services was increasing more rapidly than the operations or landed weights were increasing.

Mr. Heath said that the \$63.5 million was the figure finally arrived at after a detailed inhouse review and another detailed review by the Commission, and resulted in the \$63.5 being submitted to the Mayor and the Board of Supervisors.

Commissioner Kadish said that the Commission cut over \$10 million.

Mr. Heath said that this was further reduced by the Mayor's office and the Board, but that these reductions had to be restored by supplemental appropriations. Mr. Heath said that he hoped there would be a change in the budgeting process so that in the future it would not be necessary to budget during the year through the supplemental appropriation process as had been done in the past. Mr. Heath asked Mr. J. Peter Singer, Deputy Director for Business and Finance, to explain details of the proposed budget to the Commission. Commission President Kadish commented that the \$76.5 figure was almost identical to the starting point last year, prior to the cuts made by the Commission and other bodies, when the North Terminal was not in operation.

Mr. Singer responded that he believed last year's initial figure was \$63 million, which was cut down to \$58 million.

Commissioner Goosby said that in the last paragraph of the 1978-79 data all supplemental appropriations now in process were included and asked if all the supplementals which have been approved had been processed.

Mr. Singer answered that there were some appropriations which have been approved by the Commission but had not gone through the Mayor's office and the Board of Supervisors.

Mr. Singer said that he would review the budget in four sections, one covering revenues and three covering expenditures.

Mr. Singer spoke about revenues first, saying that last year's total landing weight was originally projected at a higher figure than they turned out to be, but some of the deficit will be made up this year by airlines which were not operating at SFIA last year. He said that the projection of 25,600,000 pounds of landed weight for the current year is the figure given staff several years ago by Peat, Marwick & Mitchell. He added that this is the figure from which next year's revenue will be calculated.

Mr. Singer said that in each of the various areas of service the revenues were based on a percentage of the gross figure to take into account inflation. He said that, in order to account for the North Terminal only being open a portion of the current year, the figures in selected areas were based on an analysis of the first three months of 1977-78 versus 1978-79. He explained further that the current year is compared to the last two years, and then the first quarter of this year is compared to the total of the recommended budget.

Mr. Singer broke the expenses into four areas: non-controllable, semi-controllable, controllable and capital expenses. He said that the non-controllable expenses included such fixed costs as debt service; semi-controllable included light, heat, power, support from other department, etc.

Commissioner Kadish asked Mr. Singer to explain the PUC Data Center expense.

Mr. Singer replied that it was \$55,000 for 1978-79, but that since in the past it was supported by a grant which is ending, the cost to the Airport is expected to increase.

Mr. Heath added that the Firm system is being instituted and there will be many changes in the Airport's system run through

the PUC Data Center, including costs for the City Attorney, Controller, Fire and Police departments, etc. He said that this is why the cost will go from \$55,000 this year to \$100,000 next year.

Commissioner Goosby asked if the Purchaser is paid for his services.

Mr. Singer replied that three storekeepers are paid for and 2 more are requested even though the purchasing is done at City Hall.

Commissioner Fleishell objected to receiving some budget figures so late, and asked that in the future they be sent with the agenda package.

Mr. Singer explained that in the past too much detail was given to the Commissioners and that the amount of budget material this year was an attempt to limit the amount of detail. He added that he hoped a balance would be reached next year.

Mr. Singer went on to describe the controllable costs, saying that an actual comparison between the current year and next year was inappropriate due to the difference in expenses concerning the North Terminal, so the costs of the North Terminal were annualized to get a reasonable comparison. He said that approximately \$2 million was to be spent in five major areas: all current positions were budgeted at full salary plus allowance for Leap Year; there were 21 new positions; The Visitors Service Program was budgeted at approximately one million; promotional expenses; and other personnel expenses including an extended work week, the necessity to fill positions for the FIRM project, employees' transportation expenses, and overtime.

Commissioner Kadish asked for a breakdown of the Visitors Service Program and the promotional expenses.

Commissioner Fleishell questioned the big jump in visitor services from \$5,360 to over a million dollars.

Mr. Singer explained that currently there are only eight CETA positions, and that the Airport is now proposing to expand into a full scale program of Visitors Services details of which were in the material provided to the Commissioners.

Commissioner Kadish remarked that the scope and nature were insufficiently spelled out; that listing only costs did not explain the program; and suggested that this deficiency be corrected before the budget went on to the Mayor and the Board of Supervisors.

Commissioner Goosby asked if the federal government was giving matching funds for the program.

Mr. Singer replied affirmatively.

Mr. Heath said he has assigned a task force to develop some initial concepts including a manager to coordinate the whole terminal; and the program's division into a number of areas including public information, ground transportation, and a roving Visitors Service Program. He said that the members of the task force have been unable to get very specific until now, but that Mr. Ronald Wilson, Acting Deputy Director for

Operations & Maintenance, has now assigned a full-time person to work on it. Mr. Heath said that the Commission could either wait until there was an approved program and go for a supplemental appropriation, or ask for the money now in very general terms. He said that the important thing is to go forward with a total program and then when it is approved, the staff could come back with a detailed budget. He added, however, that the administrative process is so long that often a program has changed by the time that process is completed.

Commissioner Kadish said that she could only look upon any Visitors Service Program favorably and that it should be publicized. She said that to deal with it on a purely fiscal level, however, is buying a "pig in a poke". She said that it appeared rather broad in scope and left many indeterminates but said that it was important to have the major part of the program in the budget, rather than to request a supplemental. Mr. Heath said he would provide a report from the task force on the program.

Commissioner Fleishell said that he felt the program should include multilingual Visitor's Service Representatives and specific areas for them that would make them more easy to find than they are presently.

Mr. Heath replied that the present CETA employees are at least bilingual, that there is also a "language bank" which lists every person on the Airport staff who speaks foreign languages and who could be reached in case of need, and that with 8 people, 24 hours per day and 7 days per week it is impossible to cover the area in the two terminals adequately.

Commissioner Kadish assured Mr. Heath that it was not the idea that was being questioned but only the lack of detail.

Mr. Singer said that last year the Commission considered the budget at January meetings, but that this year, the budget must be submitted to the Controller by January 15. He explained that this was why the Commission has been asked to consider the budget at both the December 5th and the December 19th meetings so that if approved, it can be recast into the ten or 12 formats required by the City and submitted by January 15 for consideration by the Mayor. Mr. Singer went on to explain the need to have a completed document, since the Mayor's office has asked for an additional month for review. He noted that next year, the Commission will be asked to approve the budget in October 1979 for the fiscal year beginning July 1980. Mr. Singer said that during the period between the present and April or May, the Commission can obviously request reductions from the Mayor and the Board. He said that increases can be requested through supplemental budget requests, as opposed to supplemental appropriation requests which cannot be submitted until after the first of the fiscal year. Mr. Singer suggested the Commissioners approve the general request for the Visitors Service Program, now and between now and April full details will be provided, and then, the staff can proceed with a reduction or an increase.

Commissioner Fleishell asked Mr. Singer if he would proceed in this manner if the Airport were his business.

Mr. Singer replied that if the Airport were his business, he wouldn't budget eight months in advance.

Commissioner Fleishell objected to spending a million dollars for service that is provided by the airlines in other airports, and said that there should be personnel in two of the terminals to give necessary information to foreign visitors.

Commissioner Kadish said that the Central Terminal should be included, even if no direct foreign flights arrive there, as there are also foreigners on domestic flights.

Commissioner Goosby asked if all the detail would be in the budget that goes to the Mayor.

Mr. Singer said that it would be in ten formats when it went to the Mayor. He added that if the Commissioners wanted a line item budget, it could be sent to them; he reiterated that the material had been reduced to make the information more understandable.

Commissioner Fleishell said that it appeared that in past years the budget had been bounced around with the appropriations subject to delay, and said that everything should be footnoted and graphic explanations included. Mr. Singer promised that the staff would try to use a better format in the future.

Mr. Heath said that the FIRM accounting system being installed at the Airport will allow the Airport to go from a line-item budget to a program budget. He explained that program budgets are much more useful to decision-makers, and that hopefully the system would be in operation next year.

Commissioner Fleishell said that the system as it exists operates in the following way: if 100 pencils are needed, 130 will be in the proposed budget in the expectation that this is to be cut to 110.

Mr. Heath responded saying that the staff is trying to alleviate that problem but it is hard because the Airport operates on one set of principles, and other departments operate on other principles. Mr. Heath said that last year staff presented a minimum budget and that was in turn drastically reduced with the frank explanation that the cuts could be restored by the supplemental appropriation process. He said that until the rules are established across the board, it is hard to know how to play the game.

Mr. Singer went on with his explanation, detailing the capital expansion, additions and betterments, renovations and reconstruction. Mr. Singer said that in addition to the items shown in the exhibit and in accordance with the Five Year Capital Program, there is an item for architectural services for Pier B, the TWA and Western area. He said that as soon as money is available from the \$90 million bond issue, construction will begin, although not all the construction money is available.

Commissioner Goosby asked if the cost of these projects had been underestimated, and Mr. Singer replied no, that only \$75.6 million was received for construction from the \$90 million issue.

Mr. Singer went on to explain that a number of items are eligible for ADAP funds and requests have been submitted to the Federal government for these grants, a majority of which would receive 75% reimbursement. He said that it was necessary for the Airport to put up the money and then the Airport would be reimbursed. He said that the Airport is eligible for approximately \$6 million a year in ADAP funding, but in order to get those grants, there must be \$8 million in projects.

Commissioner Goosby asked if it was certain this money would be received, or was it just hoping to get it, and Mr. Singer said the money would definitely be received.

Commissioner Kadish questioned the amount requested for numbering the airline gates.

Mr. Singer explained how the numbering system would work, saying that it will start from the International Terminal.

Commissioner Kadish asked how many times the numbering would be redone, and asked if it was necessary to do it at this time, or if the numbering could wait until the end of the project.

Mr. Robert Lee, Deputy Director for Planning and Development, said the numbering should be done progressively so that as each pier is replaced, the new gate signs would go up. Mr. Lee said that there would be seven or eight gates on Pier E, with big, lighted signs, similar to those in the North Terminal.

Commissioner Kadish said that she would like a careful analysis of the numbering project.

Commissioner Kadish questioned the items under Contractual Services, the other professional services category. She asked if it was possible that this would overlap with FAA projects.

Mr. Lee replied that these items were included in anticipation of new FAA requirements. He said that because of the slipperiness of the runways, the FAA is going to require that the Airport measure the runways during wet weather, with the information to be given to the Control Tower.

Commissioner Kadish asked if since this was a requirement in the budget due to FAA requirements, would the FAA provide the manual.

Mr. Lee answered that the Airport may be eligible to receive ADAP funds for the project.

Commissioner Kadish inquired about the amounts requested for Water Quality Testing.

Mr. Singer told her that that item was an amalgamation of two contracts.

Commissioner Fleishell asked for an explanation of the Water Quality Tests.

Mr. Lee told him that there were nine or ten discharge points into the Bay and that in accordance with water pollution board requirements, these points must be monitored on a regular basis, some daily, some weekly, some monthly and some semi-annually. He said that some tests are done in-house, but some samples were sent to a private laboratory for highly specialized testing. He said that some tests cost up to \$500 a sample, and Commissioner Fleishell said that he had had such testing done for less money.

Mr. Lee said that the Department of Public Works couldn't do the testing, and that price quotes were obtained yearly from private labs for the work.

Mr. Heath said that he would like to report on a telegram received that morning from Jan Blais of United Airlines, acting as Chairman of the Airlines Policy Committee, in which Mr. Blais requested that the Airports Commission ask the Controller to delay submission of the budget past January 15 in order to give the airlines time for review. Commissioner Kadish said that as long as they are integrally involved in the financing, it was important to receive their input but that there shouldn't be a delay to the point where it would become too difficult for the staff to deal with the budget. She asked if they would want to make a presentation at the next meeting.

Mr. Heath asked if the Commission wanted another public meeting so close to the date that the completed budget was due in the Mayor's office.

* * *

Mr. Eric Craven, Commission Secretary, announced that an error had been made in the assembling of material for the agenda, and that the signature pages for Items (2) and (7) were reversed.

* * *

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was approved; 3 ayes (Kadish Goosby, Fleishell) to one nay (Bernstein):

) Approval of 1979 Budget, Construction Management Consultants

No. 78-0325

Resolution approving the Budget for the Construction Management Consultants (CMC), a joint venture of Sverdrup & Parcel and Associates, Inc. and Stone, Marraccini & Patterson, to provide construction management and design review services for the period January 1, 1979 to December 31, 1979, in the total amount of \$1,567,500.00

This budget, covering the 5th year of operations, is submitted in accordance with Section C.5(a) Budget of the basic 5-year professional services agreement approved by the Commission under Resolution 74-0212 on December 3, 1974.

Mr. Heath explained that the budget for CMC services was prepared in two parts, the first part for those projects already under construction and the second part as a contingency in the event the Civil Service Commission approval was not obtained for the new Bureau of Terminal Construction requested and approved at the November 21 Commission meeting.

Commissioner Goosby asked Mr. Heath if at the time the new Bureau gets into operation will it handle the work under consideration today rather than CMC.

Mr. Heath answered that if the Bureau is not approved, the present arrangement would be continued through the calendar year; additionally, CMC services must be used for the Control Tower. He said that, if the new Bureau is approved, CMC will be utilized in a different way than at present. Mr. Heath added that, as in the past, their budget would be submitted monthly and he would personally approve it.

Commissioner Kadish commented that the monthly approval was not made clear in the resolution.

Commissioner Fleishell questioned the \$3,000 item for art enrichment, asking if CMC was to be paid that amount for handing pictures.

Mr. Lee responded that this was a contingency item, in the event there was structural work needed to support the art, but that it was his understanding the artists are responsible for the frames and hanging.

Mr. John Caproni representing CMC said that in the case of the Freda Koblick sculpture, it was necessary to install supports, etc., before installation. Mr. Caproni added that in some cases there may need to be security type hangings.

Commissioner Kadish asked if this was the kind of matter which would be monitored carefully.

Mr. Heath said that it was.

Commissioner Fleishell said he would approve the item with the understanding that Mr. Heath would monitor CMC closely.

* * *

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was unanimously adopted:*

Resolution Approving Professional Services Agreement with Edgar, Dunn & Conover, Inc.

No. 78-0326

This agreement covers consulting services regarding management approaches to interrelated business problems at San Francisco International Airport. The term of the agreement will expire June 30, 1979 and the total payment thereunder is not to exceed \$6,500.

Mr. Heath explained that the purpose of this resolution was to approve the start of a management process which he considered to be badly needed, saying that there were enormous problems which cut across organizational lines and needed to be identified. Mr. Heath said he has asked Mr. Jim Edgar to lead a seminar and interview various of the Airport managers. Mr. Heath estimated that it would take ten days to conduct the initial interviews, prepare for and conduct the seminar, and to do the follow-up report making suggestions for improvements. He said that the costs would be a fee of \$5,000, an additional \$1,500 for out-of-pocket expenses and the cost of an off-Airport facility.

* Commissioner Bernstein was not present for the vote on this item, being absent from 3:52 until 4:07 PM.

Commissioner Fleishell asked what Mr. Edgar would really be doing.

Mr. Heath said that this kind of seminar cannot be led by an in-house person so he would be a facilitator; Mr. Heath said that Mr. Edgar had been selected because of his business experience. Mr. Heath said that it is planned that Mr. Edgar would interview top managers before the start of the seminar, identify problems, and then structure the seminar accordingly.

Commissioner Kadish said that it should be structured to deal with reality and on-going problems.

Commissioner Fleishell commented that if the managers could identify the problems, they could solve them themselves.

Mr. Heath said that the problem was that responsibility and authority are not fused.

Commissioner Goosby asked if Mr. Heath thought this program would be helpful for the planned Bureau of Terminal Construction.

Mr. Heath said that he felt it would be.

Commissioner Goosby commented that implementation was usually lacking in such efforts.

Mr. Heath agreed that that often happens, and mentioned that the idea here was to have a structure where the ending is not on ideas but on a task-assigned basis with action plans developed and specific responsibilities placed.

* * *

On motion of Commissioner Fleishell, seconded by Commissioner Goosby, the following resolution was unanimously adopted:*

) Resolution Amending Paragraph 7 of Subsection (N) of Section 1.3.7 of Airport Rules and Regulations

No. 78-0327

Resolution amending paragraph 7 of Subsection (N) of Section 1.3.7 of Airport Rules and Regulations, so as to prohibit persons or groups engaged in religious, charitable or political activities from displaying any sign on assigned booths other than a sign, not exceeding 6 inches in height and 24 inches in length, identifying the person or group located in the booth.

Mr. Heath explained that this resolution was instituted at the request of the Commission to prohibit inflammatory signs and to limit both the information displayed to the organization itself and the size of the signs to 6" x 24".

* Commissioner Bernstein was not present for the vote on this item, being absent from 3:52 until 4:07 PM.

Commissioner Kadish commented that this had come before the Commission earlier with a recommended sign size of 3" x 18", but that they had recommended a larger sign.

Commissioner Fleishell said that he had reviewed this item and, addressing Mr. Don Garibaldi, Airports General Counsel, asked if the resolution had been reviewed by counsel and found legally acceptable.

Commissioner Goosby asked about the status of the Rules and Regulations.

Mr. Heath told the meeting the current Rules & Regulations apply only to the Airport field-side, not to this type of problem, but are not yet compiled in booklet form.

Commissioner Goosby requested a copy when it is prepared, and asked if there was any language which sets out the type of organization permitted at the Airport.

Mr. Heath said that any non-profit organization, religious, charitable or political group which asks for a permit will be given one, if space is available. He added, however, that there was insufficient staff to delve into each request to ascertain if each really was a non-profit organization.

Commissioner Fleishell asked if the rules would prohibit the Airport from discriminating against any group.

Mr. Heath said that all groups were operating from booths except the Hare Krishnas who are soliciting outside the booths pending a court case decision pending in San Mateo County.

Commissioner Fleishell asked Mr. Garibaldi if the termination of any permit under this rule would satisfy constitutional requirements for due process.

Mr. Garibaldi replied it would, because a case would have to be taken to court if the permittee requested it, where the ultimate judicial determination would take place.

Mr. Heath said that this regulation was developed by a Deputy City Attorney, who is no longer with the Airport, in cooperation with the District Attorney of San Mateo County, but that Judge Cohn, who is considering the case against the Hare Krishnas, had not as yet ruled on the proposed regulation.

Commissioner Fleishell remarked that traditionally the Airport had provided the sphere of administrative procedure.

Mr. Heath said that he had not examined the problem in great depth, but had followed the cases across the country and that he thought this ruling was as good as one could get.

* * *

On motion of Commissioner Goosby, seconded by Commissioner Fleishell, the following resolution was unanimously adopted:*

(5) Rejection of Bid for Airport Contract No. 1149

No. 78-0328

Resolution rejecting the sole bid received for Contract No. 1149, Relocation and Installation of Taxiway Guidance Signs and authorizing readvertisement for new bids under a revised and reduced scope of work.

The purpose of this contract was to provide improved guidance to taxiing aircraft.

As this bid is 36% above the Engineer's estimate of \$54,100.00, it is recommended that the bid be rejected.

Mr. Heath asked that this bid be rejected because the original estimate was \$54,000 and the sole bid came in at \$73,660.00. Mr. Heath said that this was another case of a high bid due to the amount of construction work presently in the Bay Area. Mr. Heath said that he thought lower bid prices could be received through a rebidding, because staff has found, in cooperation with the FAA, that certain signs can be deleted.

* * *

On motion of Commissioner Goosby, seconded by Commissioner Fleishell, the following resolution was unanimously adopted:*

(6) Approval of Claims Settlement, \$2,070.18

No. 78-0329

Resolution requesting approval of Claims Settlement for Property Damage during the month of October, 1978.

Mr. Heath explained that these were claims received during the month of October that had been reviewed by the City Attorney's office which has recommended settlement.

Commissioner Goosby asked what kind of claims they were.

Mr. Heath replied that they are claims for property damage.

Commissioner Goosby asked if the Airport's insurance would cover them.

Commissioner Bernstein was absent for this vote, being out of the room between 3:52 and 4:07 PM.

Mr. Heath said that the Airport was self-insured.

* * *

On motion of Commissioner Goosby, seconded by Commissioner Bernstein, the following resolution was unanimously adopted:

) Revision of Valet Parking Operations and Rates.

No. 78-0330

Resolution authorizing relocation of valet parking operation to an area inside the fourth level of the parking garage and increasing the valet parking rates from \$4.00 per vehicle to \$8.00 per vehicle.

Mr. Heath said that, at the direction of the Commission the staff had devised a new plan to handle the valet parking which includes elimination of use of the curb-side space presently being utilized by valet parking, and putting valet parking on a "pay as you go" basis. He said that Mr. Sheldon Fein, Airport Traffic Engineer, suggested using the upper level roadway exclusively for valet parking, using the in-and-out ramp to the Garage. Mr. Heath explained that users of Valet Service would use the upper level roadway, go into the Garage and park in an available space, and then after getting their ticket would leave in a mini-van, to be dropped at their airline. He continued that when returning, the passengers would use any white courtesy phone to call Valet Parking to have their cars ready, and then by the time the mini-van picked the passenger up and deposited them in the garage, their car would be ready. He said that while this is not as desirable as driving directly to the airline, it is still a luxury service. He added that by consolidating all valet parkers in one section of the garage, the service could be expanded or contracted as demand required. He said that it was recommended that the fee be raised to \$8.00 to cover the cost of the two or three mini-vans amortized over three years.

Commissioner Goosby asked how often the vans circulate, and Mr. Heath said about every 3 to 4 minutes.

Commissioner Kadish remarked that her initial reaction was that this was not valet parking and that it very well might not be utilized to the extent the service was used in the past. She said that, the Commission's charge to the staff, however, had been to devise a revenue-producing operation, to clear the curb to reduce the traffic congestion, all of which this scheme appeared to do. She said that the unknown factor was the number of people who will use the service.

She added that the staff anticipates a 30 percent reduction in use of the service and that expenses will approximate four-fifths of previous costs. Her reaction was that confidence should be shown in the staff which worked out the proposal and give it a trial.

Commissioner Goosby asked if there would be an effect on the number of employees, and Mr. Heath said that the consolidated operation will probably allow for fewer employees.

* * *

On motion of Commissioner Bernstein, seconded by Commissioner Fleishell, the following resolutions were unanimously approved:

- (8) Ratifying Action of Director of Airports on Change Orders, Modification No. 11 (Debit), Airport Contract No. 1015, Garage: Stage V - Final Modifications \$4,450.00.

No. 78-0331

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders 22 through 31 and requesting the Controller's certification of Modification No. 11 to Airport Contract No. 1015, in the total amount of \$4,450.00.

This modification labels traffic conduits, calls for waterproof gypsum board in the temporary stairs, repairs, garage exhaust fans, deletes fire alarm work and fire damper monitors from the contract, relocates electrical receptacles, provides sidewall sprinklers in core equipment rooms, relocates fire department valves to the fifth level, authorizes the structural work to relocate a water main, and installs two conduits erroneously shown on the drawings as existing.

No. 78-0332

Resolution accepting the work under Airport Contract No. 1125, Sludge Beds at Water Quality Control Plant, as satisfactorily completed; approving and requesting the Controller's certification of credit Modification No. 2 in the amount of \$8,621.17; extending the completion date from November 3, 1978 to November 8, 1978; and approving final payment in the amount of \$42,708.52 in favor of the Contractor.

Mr. Heath said that Item (8) consists of \$14,000 of credits, and \$18,500 of debits for a total debit of \$4,450, and that Item (9) is the final modification for the contract.

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On motion of Commissioner Fleishell, seconded by Commissioner Bernstein, the following resolution was unanimously adopted:

Approval of Preliminary Plans, Contract No. 1100, Boarding Area "E".

No. 78-0333

Resolution approving the preliminary plans submitted by San Francisco Airport Architects for Contract No. 1100, Boarding Area "E", part of the Airport Expansion Program.

Mr. Leonard Blackford representing the San Francisco Airport Architects explained the preliminary plans in some detail. He said this was the first project in the Modernization & Replacement Phase of the Program, replacing Boarding Area B, United Airlines. He said that the Pier was previously open, because of the Connector and North Terminal; he said that Pier E would go in the notch in the North Terminal and could not have been completed before and still keep all Pier B in operation. He said that this project really completes the North Terminal building.

Mr. Blackford indicated on a wall diagram the four gates which will be Delta's for L-1011's. He said that National will have three wide-body gates and one 727 gate. He explained the completion of the holding room for Air California, which will have two 727 gates.

Mr. Blackford described the second level, the public seating area, the open space requested by Host and space available for concessions. He said when the Airport's merchandising consultant makes his recommendation, the consultant will consider those as potential areas for public use and service.

Commissioner Fleishell said the space should not be considered as reserved for Host, but should be considered as available space.

Mr. Blackford explained that both Delta and National had wanted the same area, but had agreed to each take roughly half of the desired space. He described how the moving walks would operate in two stages; the meal service facilities for both airlines; toilet areas; mechanical equipment areas; airline operation space; and the transformer and phone rooms. He said that there will be new construction for the service road which is a traffic designed service road with 12.6 ft clearance. He described the ramp to the basement with access to both sides of the boarding area; the airline lease space; and the City lease space. Mr. Blackford said that San Francisco Airport Architects had reviewed Title 24 and built the shell as well as the mechanical and electrical systems to conform with those requirements and filled out the appropriate Energy Act forms to comply with Title 24. He said that the structure is pile supported with piles going 80 feet down to bedrock. He explained that there was a ceiling relief which gave a spacious look and feel to the interior. He said that under Title 24, a hot and cold heating and cooling system could not be used as it had been in other buildings, but instead they had to use a low velocity system with large ducts with fans on the roof to minimize the length of the ducts. He said that there was mainly a cooling system, with a very small heating system which would only come on after periods when the building was shut down or during a low volume-of-traffic period as the crowds and lights would generally provide adequate heat. He said that the electrical system is in strict conformance with Title 24 with light levels less than half the light levels in existing boarding areas.

Mr. Blackford said that the aim of the design was to retain maximum flexibility since the airlines have changed the loading bridge three times and their exact location will be unknown until the airlines actually build them.

Mr. Blackford said that preliminary cost estimates set the cost at \$9,920,000 if there were an August 1979 construction start. He said that SFAA has every intention of going out to bid on that date, because they would like to get started on their next major project, Boarding Area D. They intended to utilize their entire staff in order to meet the August date.

Commissioner Goosby asked how San Francisco Airport Architects was going to let out some of their work, saying that he understood Anshen and Allen had been able to devise ways to do some of their work on the Terminals. He asked Mr. Heath what the other firms were planning to do about subletting some of their work.

Mr. Blackford replied they had submitted a list of consultant engineers to the Human Rights Commission, which indicated that 27.6 percent of the SFAA work was by minority-owned firms.

Mr. Heath said that basically, the design work was already done before these discussions had started.

Commissioner Fleishell asked about the report submitted by the architects: he wondered how many had been printed, commenting that he thought their printing was a scandalous misuse of public funds.

Mr. Blackford replied that they had taken their report and merely bound it and put on a glossy cover and that the architects paid for the reports out of their own funds.

* * *

Recess.

Commissioner Kadish called a recess at 4:30 p.m., and the meeting reconvened at 4:45 p.m. Commissioner Bernstein did not return for the latter portion of the meeting.

* * *

Director's Reports

Modifications to Noise Regulations.

Mr. Heath spoke about the proposed modifications to the Noise Regulations, saying that he had hoped to have proposed modification before the Commission at this meeting concerning new air carriers, but that he had been unable to get them prepared, although he had reviewed some of the suggestions made by San Francisco Tomorrow just prior to the adoption of existing rules on May 17, 1978, and some of the material submitted by Anita Maraviglia indicating what had been done at Logan Airport. Mr. Heath said that he had re-examined the

area in broader scope and that it would take longer to review and come up with more suggestions. He suggested that the Commission direct the staff that any airline not now operating at San Francisco which had been given route rights must first come before the Commission, make a presentation, give plans and schedules, types of aircraft, what plans they have in terms of terminal space, etc. He further said that he thought it would be appropriate to ask Eastern to come in and make such a presentation at the Commission meeting on December 19, as they were starting with their first flights in the week following the meeting in progress. Mr. Heath said that there was no way Eastern could be stopped from using the runways, but the Commission could restrict use of the terminals.

Commissioner Goosby asked if the local communities cannot stop the new airlines and asked if Mr. Heath was saying that the Federal law put certain restrictions on the Airport.

Mr. Heath answered that there were certain restrictions: when the FAA says an airport reaches the saturation point which is the ability of the runways to handle more traffic or when delays exceed a certain number of minutes, certain alternatives can be adopted. He said that for instance, Los Angeles, Chicago, and La Guardia are allotting "slot times". He said that at San Francisco, though, if United wants to add 25 new flights a day, they can do it. He said that with "slot times", they would have to be given available "slot times" for take-offs and landings and that under present regulations, that situation will not happen here.

Commissioner Kadish said that there had been an assumption that the Commission has nothing to say about new air carriers; she said that the Commission does have something to say in terms of subleases, and a determination should be made on local needs and local constraints. She said that the Commission may not be able to do anything legally, but could certainly make their feelings known and could use any resource available to keep out new air carriers.

Commissioner Goosby agreed, saying that there are people in the nearby communities who feel the Commission is their representative and should mirror their concerns, criticisms, etc. He said that questions have been raised about the number of flights, noise pollution, etc., and he felt the Commission was going to "take the heat" if airlines simply were allowed to come and operate without any controls.

Mr. Heath said that there were a number of questions to be addressed, and if the Joint Land Use Study was going to be effective, the situation must not be allowed to grossly change in six months. He said that the Land Use Study's planning did not anticipate deregulation and the consequent flow of new air traffic, and if there were to be rapidly increased traffic, the data collected would be wrong, and the Study would have to be started again..

Commissioner Goosby said he was not in favor of unregulated, increased traffic and wanted to know more about it.

Commissioner Kadish said the Commission's views should be transmitted to the proper authorities.

Mr. Heath said he was going to Washington the next day to discuss these problems at an Airport Operators Council International (AOCI) meeting. He said that the State Department gives domestic and foreign carriers the right to operate without any consultation with local airport authorities but that last year, after considerable pressure, the State Department let the AOCI sit in to at least let the airports know what was happening. He said that increased traffic was a major concern of a number of airports, although some took the traditional position of welcoming every carrier.

Commissioner Kadish said that was the situation in the 1950's when airports were looking for business, but was not the current situation. She said that she hoped something would develop in line with FAR 36 regulations. She said that this Commission had made known its feelings, even if ultimately legal action was necessary to defend them.

Commissioner Fleishell said that he was concerned, and thought something must be done about it. He asked if it was a fact that, under the terms of the existing leases with the airlines, they could not sublease or provide service without the written, prior consent of the Commission.

Mr. Garibaldi said the leases provide for the consent of the Director.

Commissioner Fleishell said that he thought this should be taken from the Director and given to the Commission to provide such consent. He said that if the Commissioners have authority, they should use it.

Commissioner Goosby said that business interests must be considered, and the weight of all factors considered.

Commissioner Fleishell made an oral motion to transfer this existing authority from the Director back to the Commission.

On motion of Commissioner Fleishell, seconded by Commissioner Goosby, the following motion was passed unanimously:

No. 78-0334

Resolution providing that no present tenant concessionaire may provide space or other facilities through lease, sublease, management agreement or any other means except with the express, written, prior consent of the Airports Commission and that a copy of this resolution be distributed to every tenant or lessee.

Commissioner Kadish requested that Eastern make a presentation at the next meeting.

Mr. Singer said that all of Eastern's aircraft were FAR 36 certified.

Commissioner Goosby asked if six additional carriers were already granted permission to operate into San Francisco.

Mr. Heath said that he was not certain, as they could not be completely pinned down. He said that the staff would get a letter out the next day, alerting the airlines to the new policy.

Commissioner Fleishell said the letter should be sent to all tenants.

* * *

B. Report on Affirmative Action Committee

Mr. Heath said that he had planned to report on the Affirmative Action Committee, but had been unable to convene a meeting due to recent events, but a meeting was scheduled in the near future, and he hoped to have a report for the meeting on December 19th.

* * *

E. Suggested Policy Regarding Tenant Approval of Construction Projects.

Mr. Heath briefly reviewed a memo on policy which established deadlines on design review by tenants, saying if the Commissioners approved, it would be calendared for the next meeting.

Commissioner Kadish indicated that this was acceptable to the Commission.

* * *

C. Report by Landscape Architect Regarding Landscaping Around Central Tower.

Mr. Cass Abbey, Landscape Consultant, made a brief report on the status of the landscaping, saying that he had been working on the beautification of the Airport for the past seven years. He talked briefly about the Airport entrance and loop road landscaping, as well as the area around the Control Tower. Mr. Abbey said that the Airport was the gateway for some 22 million passengers and beautification was a most important element. He said that the chief factors regarding landscaping around the Control Tower were wind and shallow soil. Mr. Abbey emphasized that good top soil to an adequate depth was very important, and said that growing conditions were improved by the garage structure acting as a wind-break. Mr. Abbey explained that plants take in carbon dioxide and release oxygen, so that some of the gas fumes are actually beneficial, although the plants would not take care of all the problems surrounding automotive emissions.

Commissioner Coblentz told Mr. Abbey that his firm had done a very good job, and all looked forward to working with him in the future.

Commissioner Fleishell commented that there was great difficulty in maintaining existing redwood trees on the highway and said he had called the Forest Service who told him that fumes from the traffic were killing the trees, and yet the Airport was planting them.

Mr. Abbey replied that some of the problem resulted from dust on the foliage, and it was beneficial to hose them down once or twice a month.

Mr. Heath asked if it was different with redwoods than with other trees, and Mr. Abbey said no, all would benefit from hosing down.

* * *

D. Report on Parking Situation Over Thanksgiving Weekend.

Mr. Heath directed the Commission's attention to this item, but said that no discussion was necessary.

* * *

F. Presentation About FIRM System.

Mr. Heath said that the presentation about the FIRM System would be given at the next Commission meeting.

* * *

Communications

Mr. Heath drew the Commission's attention to a memo detailing the minority newspapers used for advertising bid calls for concessions.

* * *

Introduction of New Business by Commissioners.

Commissioner Kadish spoke about her appointment to the Commission, and her discussion with the late Mayor Moscone at the time she was appointed. The Commissioner's remarks are attached in their entirety to these Minutes and incorporated by reference.

* * *

Adjournment.

There being no further business before the Commission, the meeting was adjourned at 5:13 p.m., in honor of Mayor George Moscone and Supervisor Harvey Milk. An Executive Session followed.



Eric Craven
Commission Secretary

Secretary's Announcement of Actions Taken
By Airports Commission Executive Session On
November 21, 1978

Read to the Airports Commission Meeting on December 5, 1978

IN ACCORDANCE WITH GOVERNMENT CODE SECTION 54957.1 OF THE
BROWN ACT, I AM REPORTING ON THE ACTION TAKEN BY THE AIR-
PORTS COMMISSION IN EXECUTIVE SESSION ON NOVEMBER 21, 1978.
THE ACTION AND ROLL CALL OF THE VOTE THEREON WAS AS FOLLOWS:

AGENDA ITEM (2) OF THE NOVEMBER 21 CALENDAR,
REORGANIZATION: MODERNIZATION AND REPLACEMENT
PHASE OF THE TERMINAL CONSTRUCTION PROGRAM, WAS
APPROVED BY A UNANIMOUS VOTE OF COMMISSIONERS
KADISH, GOOSBY AND FLEISHELL.

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MILLIE COPY BLAIS

MILLIE, THE FOLLOWING TELEGRAM SHOULD BE SENT AS SOON AS POSSIBLE, AS FOLLOWS:

RUTH S. KADISH, PRESIDENT
MORRIS BERNSTEIN, VICE PRESIDENT
WILLIAM K. COBLENTZ
DR. Z. L. GOOSBY
J. EDWARD FLEISHHELL
ERIC CRAVEN, SECRETARY

RECEIVED

DEC 5 1978

COMMISSION SECRETARY'S OFFICE

SAN FRANCISCO AIRPORTS COMMISSION
CITY HALL
CITY AND COUNTY OF SAN FRANCISCO
SAN FRANCISCO, CA

THURSDAY, NOVEMBER 30, 1978, I RECEIVED A COPY OF THE 1979-80 AIRPORT BUDGET IN SUMMARY FORM, WITH A NOTICE THAT THE COMMISSION INTENDS TO HEAR IT ON DECEMBER 5 AND 19. THIS SCHEDULE WILL PRECLUDE ANY EFFECTIVE REVIEW BY THE AIRLINES. ACCORDINGLY, AS CHAIRMAN OF THE AIRLINES POLICY COMMITTEE, I PROTEST THIS SCHEDULE, REQUEST A DELAY OF AT LEAST ONE MONTH IN REVIEWING THE BUDGET, AND URGE THAT THE COMMISSION OBTAIN A DELAY FROM THE CITY CONTROLLER. THE AIRLINES HAVE AT LEAST AS MUCH INTEREST AS THE CITY IN HAVING ADEQUATE TIME TO REVIEW PROPOSED AIRPORT EXPENDITURES. MEMBERS OF THE COMMISSION AND FINANCE COMMITTEE HAVE BEEN CRITICAL OF THE AIRLINES FOR, IN THEIR VIEW, NOT PROVIDING SUFFICIENTLY DETAILED COMMENT AND CRITIQUE TO ASSIST THEIR BUDGET REVIEW. THIS WILL BE THE CASE AGAIN UNLESS THE COMMISSION OBTAINS MORE TIME. THIS NOTICE TO THE AIRLINES AND TIMETABLE FOR BUDGET APPROVAL IS INCONSISTENT WITH THE COMMISSION'S OWN VIEW OF THE AIRLINES' OBLIGATIONS AND RESPONSIBILITIES UNDER THEIR RESPECTIVE LANDING FEES AGREEMENTS. THE AIRLINES ALSO INSIST ON RIGHTS OF REVIEW WHICH OUR LANDING FEES AGREEMENTS PROVIDE.

LASTLY, THIS BUDGET PRESENTATION ASSUMES FURTHER INCREASES IN LANDING FEES AND/OR SPACE RENTAL RATES ABOVE THOSE THAT THE AIRLINES ARE ON RECORD AS HAVING PROTESTED ON THE BASIS HERETOFORE MADE KNOWN TO THE COMMISSION.

SINCERELY,
JAN DAVID BLAIS
CHAIRMAN
SAN FRANCISCO AIRLINES POLICY COMMITTEE

CC: RICHARD R. HEATH, DIRECTOR OF AIRPORTS
PETER SINGER, DEPUTY DIRECTOR
SAN FRANCISCO AIRLINES POLICY COMMITTEE

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Comments of
Commissioner Ruth S. Kadish,
President,
Airports Commission
of the
City and County of San Francisco
before the
Airports Commission
Tuesday, December 5, 1978

It is exactly two years since I was sworn in and attended my first meeting of the Airports Commission. It is also exactly one half of my four-year term.

If you will be forbearing with me, I should like to share some words that would never have been made public but for the tragedy that befell us all last week, but which now, because of that tragedy, I feel should be made part of the public domain as we all move together under our new Mayor, Dianne Feinstein, to unify the City we love.

On November 18, 1976, Mayor George Moscone called me into his office to tell me he would like to have me serve in the role I currently fill. He gave me his reasons for my selection, and it is his charge to me at that time that I wish to share, for I still see that as my charge and feel strongly that it would and will be the charge of Mayor Feinstein.

George Moscone said he wanted a woman on a major commission that had been viewed historically as a man's domain; that unlike other commissions on which more than one woman had been or would be appointed I might, as a woman, be alone for some time. He wanted me to serve as a force to bind together the representatives of the previous administration with those of his administration so that harmony would engender action to make our Airport, not necessarily the biggest, but the best, most modern in the country,

to the world. He said he knew it might be difficult for a woman to be accepted initially, but that he had confidence in me to assume quietly and non-aggressively leadership to achieve that goal.

He talked of my not having had the so-called "business experience" that was seen by some as a prerequisite. He was well aware, he said, that my background had been in aesthetics, education, counseling and primarily in activities concerned with people and services to them. That, he said, was precisely why he was asking me to serve--as a peoples' representative--for when he talked of the best and most modern airport what he had meant was one that was not only architecturally attractive, functional and fiscally sound, but an airport whose prime purpose was to provide service to the people who use it, an airport that is humane. He wanted me also to address, and alleviate wherever feasible, the problems that any airport contributes to the public living in its immediate vicinity.

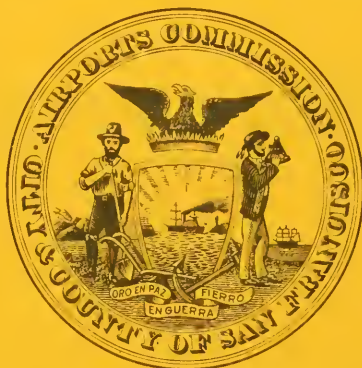
The second point Mayor Moscone made to me was that there would be a need to select a replacement for the retiring director in the succeeding four months. He asked that I help in finding a qualified manager and administrator, the best available in the country; but above that, a person who cared about people, who could be responsive to the diverse population of our community, and who would have a sense of what serving San Francisco entailed. He wanted the Airport to be more than a physical location and a fiscally self-sustaining operation. He stressed that SFIA is the port of entry to our City for millions and that how those millions are greeted on arrival sets the tone for their visit or return home to San Francisco. It was his feeling that the Commission had a major task before it in setting that tone by their choice of a director who would supervise the administration and operations and thereby implement the desired ambience.

Finally, I asked if he expected me to check with him on major decisions. George Moscone's answer was a firm "No. I selected you because I trust your judgment. Exercise it freely. I do not believe commissioners should be captives of the executive officer of this City. Their independence must be assured."

Ours was a private conversation. Today I make it public so all may be party to the commitment, sincerity, integrity and humanistic concerns of the Mayor we have just lost.

As we continue to work to make this the best and most modern Airport, which can serve as a model to the world, I am certain we do so with the concurrence of our new Mayor and with the citizens of our community in the spirit of binding up our wounds and moving ahead to strengthen our City.

SAN FRANCISCO AIRPORTS COMMISSION



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DOCUMENTS
LILL

MINUTES

DECEMBER 19, 1978

DIANNE FEINSTEIN, MAYOR

COMMISSIONERS

RUTH S. KADISH
President

MORRIS BERNSTEIN
Vice-President

WILLIAM K. COBLENTZ
DR. Z. L. GOOSBY
J. EDWARD FLEISHELL

RICHARD R. HEATH
Director of Airports

San Francisco International Airport
San Francisco, California 94128

MINUTES
OF THE
AIRPORTS COMMISSION
MEETING
December 19, 1978

1. Call to Order:

The regular meeting of the Airports Commission was called to order at 2:30 P.M., in Room 282, City Hall, San Francisco, California 94102.

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2. Roll Call:

Present: Commissioners Ruth S. Kadish,
Morris Bernstein, William K.
Coblentz*, and Dr. Z.L. Goosby.

Absent: Commissioner J. Edward Fleishell.

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3. Pledge of Allegiance: Led by Commissioner Kadish.

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4. Adoption of Minutes:

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following item was ordered adopted by Commission President Kadish.

No. 78-0335

The Minutes of the Airports
Commission meetings of July 5,
1978 and October 17, 1978 were
adopted.

* * *

4A. Special Announcement:

Mr. Richard Heath, Director of Airports, reported that the former Director, Mr. William Dwyer, had undergone open heart surgery on December 13 and that one week later, on December 20, Mr. Dwyer had "walked" from the hospital. Mr. Heath said that everyone's best wishes were extended to Mr. Dwyer.

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Calendar Items:

On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following item was unanimously approved as amended:

(1) 1979-80 Airports Commission Budget

No. 78-0336

1979-80 Airports Commission
Budget.

Mr. Heath opened the discussion, stating that this was the second reading of the 1979-80 budget. He asked if a representative of the Airlines Policy Committee was present to comment, but there was no response.

Mr. Heath asked Mr. J. Peter Singer, Deputy Director for Business and Finance, to take over discussion of the budget.

Mr. Singer first called attention to the sources of anticipated revenue for the coming fiscal year: airline fees and charges, \$41.9 million or 54.7% of the total income; parking, \$8.2 million or 10.7 percent; concessions and tenants, \$7.25 million; auto rentals account for \$6.5 million, of 8.4 percent; federal grants and ADAP reimbursements were indefinite, as they are received on a progress basis.

Mr. Singer discussed the proposed expenditures, saying that the biggest item was debt service, including the \$2 million repayment to the City, totaling \$24.5 million or 32 percent of the total costs; second were personnel costs, \$15 million or 19.6 percent; third largest item was Additions, Reconstruction and Capital Projects, \$12.5 million or 16.5 percent; then light, heat and power costs, \$7.3 million or 9.5 percent; other departmental support, \$5.25 million or 6.8 percent of the expense budget.

Mr. Heath commented that the budget was always overstated, in that the Airport pays the total heat, light and power bill to the City and is reimbursed from the airlines and tenants; the Airport itself does not use the full \$7.3 million worth of utilities.

Commissioner Bernstein said that he would like to discuss the Public Information Budget, since he was doubtful the Airport could afford the proposed amount of \$600,000. Commissioner Bernstein moved this item be deleted from the budget, and Commissioner Coblentz seconded that motion.

Commissioner Kadish said that it appeared that this was a budget presented basically by a Task Force. She said that when the Task Forces were instituted last year, the Commissioners understood they were to receive interim reports. She said that now a budgetary item was being presented, prior to the opportunity to review and discuss Task Force activities. She suggested that if this item was removed, there would be an opportunity for the Task Force to report on their efforts and, perhaps, produce a budget outlining necessities. She said that the proposed budget should be prepared in three ways: full budget, medium budget and low cost budget. She said that while the Commission might favor a full budget, there should be various alternatives and rationale.

Mr. Heath said that he thought these comments would apply to the Visitors Service Budget, as well as the public relations budget, as they might overlap and interrelate, and he would have no objection to a decision on both items being deferred.

Commissioner Goosby amended the motion to delete the \$600,000 public relations budget to include the Visitors Service Program item.

Mr. Heath said that it would then also be appropriate to delete the first two personnel items, the public relations assistant and public relations officer.

Commissioner Goosby commented that the Commission had until March 15 to make additional changes in the budget and communicate them to the Mayor's office.

Commissioner Kadish said that if there was to be a rationale established for these items, they could be inserted into the projected budget by March 15.

Mr. Heath said that the items should be attached to a specific program.

Commissioner Goosby said that it appeared from the descriptions of the Visitors Service Program that some administrative procedures were included. He suggested splitting these out, as he thought the Airport might be criticized for spending money on what some people would consider unnecessary services. Also, he suggested that the staff check to see how the tenants were maintaining the terminals up to the terms of their leases.

Mr. Heath said that Commissioner Goosby was correct that part of the program was for terminal management in addition to visitors' services. Mr. Heath said that the two were related because the better the terminals were managed, the better the terminals would be operated to serve passengers.

Commissioner Bernstein questioned the need for a station wagon in the Visitors Service budget.

Mr. Heath replied that the vehicle was a part of the proposal, and he was not certain that a future analysis will justify that need.

Commissioner Bernstein asked if it would not be possible to effect considerable economies if some duties were put under existing personnel, as it appeared there were a considerable number of new positions.

Mr. Heath said that the proposals presented were first-cut guesses identifying the basic need of assistance for passengers from the time they arrive on Airport property until check-in at ticket counters and from the time baggage is picked up until passengers leave Airport property. Mr. Heath said that the airlines were not taking care of the passengers during these times and the Airport is receiving many complaints. He said that this was a problem which needed to be corrected and that staff is in the process of developing a program. He said that his initial instructions to staff had been to devise a program to be put into the budget this year, and what the Commission had before them was the result. He said, however, that the program could be held up until more specifics were provided.

Commissioner Kadish asked when this would be done. She asked if a report from the Task Force would be ready for the January 16th meeting.

Mr. Heath said that the program had been assigned to Phil Meginness, who would develop it for actual costs, etc., and get it back to the Commission for the February 6th meeting.

Commissioner Bernstein said that he thought the Airport should have a Visitors Service Program, but he was utterly opposed to the establishment of a bureaucracy within a bureaucracy. He said that there must be ways of cutting personnel and other costs. He said that he would like to sit in on future discussions on this subject.

Commissioner Bernstein asked if the staff had exhausted all possibilities for economy and suggested the use of outside services to do many kinds of work, such as bookkeeping, maintenance, cleaning. He said that all economies possible should be investigated, not at the expense of service, but in an attempt to provide the same type of service less expensively.

Mr. Heath said that the staff was trying to effect all possible economies. He said that for example staff was attempting to gain approval on the North Terminal janitorial service contract. He said that this service contract was scheduled to go before the Board of Supervisors at the Tuesday, December 26 meeting, but so far had been stalled for various reasons in the Supervisors' Budget and Finance Committee. Mr. Heath said that other kinds of contractual services were being investigated to effect economies. He said that he had told Mayor Feinstein there was a relationship between dollars and service and while it was possible to increase service with the same number of dollars, it could be that if the dollars were cut, the service would also be cut. Mr. Heath said that unfortunately, in government services are not usually measured, and he had proposed to the Mayor that the Airport be used as a guinea pig for measurement purposes.

Commissioner Bernstein said that the Commission was not seeking sub-standard services or salaries, but wanted to effect all possible economies.

Commissioner Coblentz mentioned the letter from the Airlines Policy Committee which had just been delivered (and which is attached and included by reference).

Commissioner Kadish asked if there would be a verbal presentation from the Airlines Policy Committee.

A representative of the Airlines said there would be no presentation, as the Chairman, Jan Blais, was out of the City.

Commissioner Goosby questioned the figures in the anticipated revenues portion of the budget, saying that there was \$34.7 million expected from passenger utilization of services and \$34 million from landing fees, rental space, air carrier operations, and those sums together were \$7 million short of the projected expenses.

Mr. Singer said that the deficit would be made up from an increase in either landing fees or space rentals.

Commissioner Goosby asked if this would be "tied down" by March 15 or July 1 and the definite figures available by the time the budget was submitted.

Mr. Singer explained that the agreements with the airlines allowed an increase in rates to meet the approved operating costs of the Airport and the deficit amount is the amount which will be negotiated by July 1, 1979.

Commissioner Goosby asked if there would be any difficulty.

Mr. Singer replied that the agreements obligate the airlines to pay for the approved costs of operating the Airport.

Commissioner Goosby said that the landing fees had been raised once this year and asked if there would be any question.

Mr. Heath explained that there would not be real negotiations, but a series of discussions. He said that the Airports Commission makes the final decision, with no veto power on the part of the airlines. He said that if the budget is reduced below the anticipated \$76 million, the necessary rate increase will be reduced apportionately. He said that the discussions with the airlines will be to decide if there will be increased landing fees or increased space rental rates.

Commissioner Coblenz referred to the letter received from the Airlines Policy Committee, saying that he regretted the lack of time the airlines had for review purposes and that he hoped they will be provided more opportunity next year, as it was important to work together. He referred to various concerns expressed in the letter: Visitors Service had been deleted; contractual services were being investigated; promotional services, deleted; equipment requests were validly criticized although if items were needed they should be obtained, but alternate cheaper equipment should be investigated in the way the Highway Patrol and other local units do when obtaining their equipment.

Commissioner Bernstein asked if the airlines were consulted at all.

Mr. Heath replied that at a meeting a year ago, he invited the Airlines Policy Committee to develop a mechanism to work with Airport staff - toward better and tighter management. He said that no action on the part of the Policy Committee or any individual airline followed that suggestion, which would have allowed them an entire year to follow the budget process, rather than two weeks. Mr. Heath said that he found the group uninformed regarding Airport operations; their objection to the contractual services, such as ramp access security, was not warranted as the airlines themselves had given out over a thousand ramp passes. He said that the airlines had been told that they should develop a system to ensure security of the ramp but since so many passes had been given out, it was necessary to have human beings in the positions to take care of security problems. Mr. Heath said that he felt frustrated when the airlines come in at the last minute to make comments showing a total lack of knowledge.

Commissioner Kadish said that she had been present at the meeting Mr. Heath referred to and, at that time, had spoken briefly, telling the airlines the Commission would like very much to utilize their skill, expertise and knowledge in many different areas, to the best advantage of the Airport. She said that she was surprised at the last line in the Policy Committee's letter which talked about "joint enterprise" because the offer to cooperate had been made but was not picked up until this particular moment. She said that she hoped this was a matter that would be rectified in the year to come, as there was no reason why the Airport staff and the airlines could not work together in preparing a budget which was of concern to both parties.

Commissioner Coblentz said that the item should be adopted with the amendments proposed by Commissioners Bernstein and Goosby, the deletion of the Visitors Service Program, the public relations program and the two public relations positions.

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Commissioner Coblentz asked to hear Items (10) and an additional agenda item, Item (19), concerning the purchase of the wall hanging proposed for the Art Enrichment Program.

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- (19) On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

No. 78-0337

Resolution authorizing the purchase of the wall hanging Star of the North by Canadian artist, Micheline Beauchemin, at a price not to exceed \$46,000.00.

Commissioner Coblentz said that he and Commissioner Kadish had viewed this tapestry and were most enthusiastic.

Commissioner Kadish said the Art Commission Committee assigned to the Airport Art Enrichment Program had been enthusiastic enough to get the approval of the entire Art Commission. She said that the architect for the South Terminal addition was planning to do schematic drawings around this tapestry, so that it would become part of the architectural scheme.

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On motion of Commissioner Coblentz, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

- (10) Resolution Approving Bid Call for Six Concession Agreements for Automobile Rental Service.

No. 78-0338

The successful bidders on these six agreements will pay the greater of either a minimum annual guarantee or ten percent of gross revenues. The bid item is the present value of the minimum annual guarantee for each year of the five year term. There is a provision for one extension of five years at the sole option of the Commission. All six automobile rental operators will be provided counters and operating areas under separate Space or Use Permits.

Mr. Heath said that this item provided for automobile concession agreements and six on-airport facilities with land and counters in each terminal.

Mr. Singer explained that the bid documents before the Commission contained minor problems; the two most obvious problem areas being 1) the term of the agreement: one document calls for five years with one-year options, and the other for five years with one five-year option; 2) the agreement identifies the beginning of the term of the agreement as the first day of the month following the opening of the North Terminal. He said that changes would be made in the bid documents before they were released.

Commissioner Kadish asked if there were representatives of the auto rental agencies present who wished to speak.

Mr. Gary L. Paxon, Vice President of Dollar Rent-A-Car, said that he understood it was the Commissioners' intent that Lot B be divided among the three rental agencies which presently did not have land space. He said that on the contrary, the bid documents indicated that all the land would be allocated on a share of the bid the first year on the basis of how much a bid represented of the total bids. He felt that this put the operator who had no land at a disadvantage.

Commissioner Coblenz responded that it was the opinion of the Commissioners that Lot B should be allocated among the three rental agencies which presently did not have land and if there was to be a car wash or other service facilities, those facilities would be shared among the three.

The other Commissioners agreed that this was the case and said that this position was not reflected in the bid documents.

Mr. Heath said that this method would result in a tremendous number of complaints from the others because the land division that staff thought to be the fairest possible method would be to distribute the land based on a share of the market. He said that if one company began on a low level, its space would be increased if its business increased after the first year. He said that he felt the best method would be to apportion the land on a share of the bid the first year and on a share of the market in succeeding years. He said that the guarantees of all six top bidders should be lumped together and then divided proportionately; if one did get a piece of the total land, based upon its proportion of the total guarantee of all six, the one offering the biggest guarantee would receive the largest amount of land, in direct proportion to the bids.

Commissioner Goosby asked if this meant that the three smaller firms would then have an amount of land in proportion to the amount of business they do, or would they have to share Lot B with the larger three companies which already have their own lots.

Mr. Heath responded that if the total bid were x million dollars, and one company offered 20 percent of that amount, they would receive 20 percent of the available land the first year; and then the second year, the space would be divided on a share of the market basis.

Commissioner Coblentz commented that Hertz currently has 40 percent of the land and would probably get even more after the bids divided the available land, adding that currently Hertz has its own lot.

Mr. Singer answered that Hertz has one lot and a portion of another. He said that it was important to provide the opportunity for additional competition and, at the same time, provide the opportunity for each company to enhance their business by having on-airport land facilities.

Commissioner Goosby objected, saying that the largest operators - Hertz, Avis and National - would probably end up having more land than they currently have.

Mr. Singer told him the percentages of land presently occupied.

Commissioner Coblentz asked what proportion of Lot B would be available for the three smaller firms.

Mr. Singer replied that the question was not which lot, but the allocation of Lot B; should it be on an equal basis or a proportional basis.

Commissioner Bernstein commented that an operator doing five times more business would not necessarily need five times as much land.

Mr. Singer said staff had suggested a share basis, but the lowest of the six bidders might end up with less than 15 spaces.

Commissioner Bernstein asked Mr. Paxon how much space they currently occupied.

Mr. Paxon said that his company currently had no space. He said that the method being discussed could result in, perhaps, five companies in Lot B in order to allocate a proportionate share, which would destroy the usefulness of the Lot.

Commissioner Kadish asked Mr. Singer if he thought Lot B could be divided five ways.

Mr. Singer replied that such action would be irrational and irresponsible; he thought the companies should be grouped with the least possible number in each lot.

Commissioner Coblentz asked if Lot B couldn't be limited to three companies.

Mr. Singer said that he had not envisioned any lot divided six ways.

Commissioner Kadish said that that may not be the intent, but it was important to have something written into the documents to preclude such a situation.

Commissioner Coblentz asked what was the actual space available in Lot B. Mr. Singer responded that it was 1.8 acres, or 78,408 square feet.

Commissioner Bernstein asked Mr. Paxon how many square feet Dollar felt it needed.

Mr. Paxon replied that they felt they needed 30,000 square feet, or 150 spaces. He said that Dollar's current volume would not justify that space, but in the past they had not had on-airport facilities and hoped to build up their volume.

Commissioner Bernstein said he didn't know if it was possible to tie-up land in the hopes a company could grow into the space.

Commissioner Coblentz said that he thought Lot B should be limited to three companies, and assuming Hertz, Avis or National would grow even larger, they could demand space in Lot B, creating additional problems. He said that additional congestion should be avoided, but if Lot B is allocated solely to three companies, there could be a decrease in business and yet the space would be committed.

Commissioner Kadish said flexibility must be ensured, which would allow no more than three companies in Lot B, but it was also important to consider the income and what would happen to the companies located in that lot.

Mr. Singer said that presently Hertz does 36 percent of the business; Avis, 22 percent, and National, 20 percent.

Commissioner Coblentz commented that, on that basis, Hertz could go into Lot B, and again suggested limiting the lot to three operators.

Commissioners Kadish and Goosby agreed this was the Commission-approved plan.

The Commission agreed that Lot B should be limited to three companies, on a share basis, with the companies using joint service facilities.

Mr. Singer suggested that the staff work out a plan of proposed land distribution and present it to the Commission at a later time.

Commissioner Kadish asked that a visual presentation of the proposal be made.

Mr. Singer said that when the bids are opened and the bidders have defined their operations, the Commission would be presented not only with the results of the bidding, but with the proposed land allocation.

Commissioner Coblentz stated that he would prefer not to see the top three companies in Lot B because of their share of the current market.

Mr. Heath said that until the bids are opened, the figures are only being played with since it was impossible to determine how the land could be allocated until the top bidders are known. He said that the whole structure is to have the land granted on a permit basis, giving flexibility. He suggested following Mr. Singer's proposed procedure: open the bids, come back with the proposed land allocation on a share of the guarantee for the first year.

Commissioner Goosby asked if this would be included in the bid document.

Mr. Singer said the first year, space allocation would be based on the bid; after that, allocation will be on the share of the market. He said that the Commission must approve all bids, and the land allocation plan will be presented simultaneously.

Commissioner Goosby questioned the requirement that cars be no older than the previous year's models, saying that older models could possibly permit lower car rental rates.

Mr. Singer replied that it was traditional at San Francisco Airport that rental companies provide new car service.

Commissioner Bernstein said the depreciation factor was important.

Mr. Paxson said his company did not want to keep cars after the expiration of their warranty period. Mr. Paxson said his company was satisfied to return to the Commission on the division of land, but cautioned that the bid documents were not written to include this.

Commissioner Coblentz said that the specifications should be amended to include that the conceptual allocation of space must be approved by the Commission, and moved to amend the original motion, with Commissioner Goosby seconding.

Mr. R. K. (Robb) Madgett, representing the Hertz Corporation, spoke briefly, saying that he wanted to understand the intent of the Commission, the basic terms of the proposal and the invitation to bid, and the concerns of the Commission regarding allocation of space, particularly if a company exceeds its resources. Mr. Madgett suggested that there be an informational session, with the Commissioners in attendance along with staff, to work out a fair and equitable means of distribution of space.

Commissioner Coblentz agreed, and asked for a date for such a meeting.

Mr. Darwin Klockers, Director of Properties for National Car Rental, spoke, saying that National was satisfied with the existing proposal in regard to service facilities, but had a problem with the specifications which state that if any of the three companies having facilities on the Airport are among the top bidders, they shall have the right to continue to occupy their particular facility. He suggested changing the wording to say, "if any of the three companies be a successful bidder, they are to be allowed to retain their facilities, even if displaced in the bidding". He said that in view of actual revenues, this would entail no risk to Hertz or Avis, but in terms of the smaller of the existing facilities, National is the most vulnerable and subject to risk of loss of their facility in the bidding process. Mr. Klockers asked Mr. Don Garibaldi, Airports General Counsel, if there was any anti-trust problem.

Mr. Garibaldi said that there was not.

Mr. Thomas J. Deane, representing Avis, spoke to the provision in the bid document which stipulated that any company with two percent understatement of revenues in their audit could be terminated. He said that underpayments were usually the result of clerical error.

Commissioner Coblentz said that he did not want such a forfeiture clause, and perhaps the company which understated should pay for the audit, plus interest.

Commissioner Bernstein questioned the penalty if revenues were continually understated.

Mr. Deane answered that usually an understatement is unintentional and could result from a different method of auditing being used, and told of a situation he had recently encountered in a major city where the auditing was handled on a different basis. Mr. Deane said he had no objection to language which stated "repeated" violations could result in termination.

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On motion of Commissioner Coblentz, seconded by Commissioner Bernstein, the following item was discussed and decision postponed to a future meeting.

(2) Interim Policy on New Carriers.

Interim policy to deal with new carriers who may request permission to utilize the Airport.

The policy will hold the line on increased operations until the Joint Land Use Study has produced an Airport Operations Plan.

Commissioner Coblentz opened the discussion by requesting that the two paragraphs in the proposed resolution which recommended Oakland as an alternate Airport be deleted.

Commissioner Goosby asked the meaning of paragraph three which states that the general policy of the Airport will be to approve subleases or service agreements only with new air carriers that will exclusively use aircraft meeting FAR 36 noise requirements. He asked if it was intended that the policy shall be that all carriers will be approved with the provision that they meet FAR 36 requirements.

Mr. Heath said the intent was that new carriers coming in be required to guarantee that they would use only FAR 36 certified airplanes, such as Eastern is using. He said that beyond that, he was not prepared to state that all airlines would be accommodated as there is no space available for all the new airlines wishing to operate at the Airport.

(Commissioner Coblentz left at this point in the meeting.)

Greg Hurst, Vice President for Public Affairs of the Chamber of Commerce, spoke in favor of Commissioner Coblentz' suggestion of deleting reference to Oakland. Mr. Hurst said that in view of CAB efforts to deregulate, it appeared that the Commission was attempting to step in and take over what CAB was giving up. He felt that the free market place should be the only factor considered. Mr. Hurst said that everyone knew of the competition between San Francisco and Oakland, and what Oakland had done in taking away business from our port. Mr. Hurst said that no one knew what the future held as far as the airlines were concerned. He said that airlines should continue to come to SFIA with their requests and then the issue could be debated. He urged that the Commission not go on record as saying new airlines weren't wanted.

Commissioner Kadish said that her concern had been to preserve and better the San Francisco Airport, both for the City and for its neighbors, and she didn't want to lose the Airport to Oakland, as the port was lost to Oakland.

Mr. Arthur Lepore, Councilman from Millbrae and Chairman to the San Mateo County Airport Land Use Committee, urged passage of the resolution as presented, although he understood the competition with Oakland. Mr. Lepore talked of the problems involved in the Land Use Study when extra flights are poured in before they can really be dealt with. He said that it was necessary to provide mitigation measures, both economic and for living styles. Mr. Lepore spoke of the existing airlines adding on extra flights which caused a problem, although there was necessarily an obligation to allow this. Mr. Lepore continued that this resolution was a small step in the right direction and hoped the wording could be worked out, possibly deleting Oakland, but retain the meaning. He said that, according to Paul Keonig, Planning Director, the County of San Mateo Board of Supervisors had unanimously approved the resolution. Mr. Lepore said that adoption of the resolution as presented would help maintain the perimeters of the Joint Land Use Study.

Chris Brittle, representing the Regional Airport Planning Committee of MTC and ABAG, spoke in favor of the resolution as presented. Mr. Brittle said that his organizations have, for years, endeavored to develop a regional airport plan, to provide more convenient service to all Bay Area travelers and to minimize all-over environmental impacts; he felt that there was a need to shift some of the traffic growth to Oakland, and Chairman Bort encouraged this. Mr. Brittle said that the proposed resolution had the stated purpose of controlling aircraft operations and noise, and there was an opportunity to do this through the Joint Land Use Study. He said that new types of operations were addressed, but aircraft now operating should be considered. He suggested the following language: "It shall be the policy of the Airports Commission to review the operating plan for any air carrier now operating at San Francisco Airport who wishes to provide new service to cities not presently served by that carrier. These carriers should request that the carrier first present to the Airports Commission at a public hearing a full operative plan indicating the times, routes and frequencies of all proposed flights, the aircraft to be utilized and whether or not each aircraft which the carrier proposes to utilize is certified as meeting the noise standards of the FAA, Part 36".

Mr. Heath said that one of his concerns was how to effectively enforce provisions of whatever resolution was passed by the Commission.

Commissioner Bernstein said that the additional flights are the result of deregulation - a decision in which the Commission did not participate. He said that there are many factors which must be considered; and if a person owned some Airport bonds, that person would not favor a Commission decision which sent flights away from SFIA to Oakland. He said that while money is not the prime consideration, economics, the bond market, etc., must be studied. Commissioner Bernstein said that he would in no way recommend a competitor. However, he said that he was in full agreement with the position that certain standards must be met. He said that he would not send airlines elsewhere.

Mr. Brittle said he was speaking from a regional perspective.

Commissioner Bernstein said that the Commission had not encouraged new airlines, but under federal law the Commission did not have the right to tell airlines they couldn't operate at San Francisco.

Commissioner Kadish asked Mr. Garibaldi, in reference to Mr. Brittle's remarks, if it would be considered discriminatory.

Mr. Garibaldi said that it would be less discriminatory if Mr. Brittle's additions were omitted.

Mr. Heath said that when an existing airline has signed permits and a landing fee agreement, the Commission had no control over their addition of flights. However, Mr. Heath said that the Commission could possibly exert some authority over new airlines by review of plans, equipment, operations, etc. However, he said that he could not assure the Commission that this position, if attacked in the courts, would be upheld as proper or non-discriminatory. He said that it did, however, provide a way of calling the attention of all airlines to how important the noise problem is and that use of old, noisy aircraft by new carriers would not be accepted. He said that Mr. Brittle made a point in that existing carriers can increase flights, increase noise and environmental impact, and there is no way to prevent that happening. There could, however, be possible action through the Joint Land Use Study when it is completed.

Commissioner Goosby said that there was no better place than a Commission for a move to start toward passage of Federal legislation to control such factors, and give communities some authority over operations in their areas. Commissioner Goosby, however, agreed with Commissioner Coblenz, that the word "Oakland" should be replaced with "alternative areas".

Councilman Lepore said that the Joint Land Use Study may provide the alternative areas.

Commissioner Bernstein, however, objected to any hint of "double talk".

Mr. Hurst spoke again, urging the deletions suggested by Commissioner Coblenz.

Mr. David Lilly, representing San Francisco Tomorrow, supported Mr. Lepore and Mr. Brittle, and asked for continued support of a regional airport plan. Mr. Lilly said that if the Airport withdrew its support from a regional plan, the Airport could be jeopardizing the Airport's continued receipt of Federal funds. He said that it might be possible to change the existing contracts with the airlines, on the basis that they were drawn up at a time when the parties had no knowledge of the nature and growth of the industry and that events had occurred which were not contemplated at the time the contracts were drawn. Mr. Lilly asked when the current agreements expire.

Mr. Heath told him that they would expire in 1988 and that only the landing fees were negotiable at present.

Mr. Lilly suggested that shortening the terms of the agreements to encourage further mitigation, and cost factors, etc., might be included in the future. Mr. Lilly said that paragraph three of the resolution was too broad and should be changed. He said that the Commission should realize it represents not just the industry, but the interests of the people of San Francisco as well as surrounding communities. He said that the Commission has broad regional responsibility.

Mrs. Anita Maraviglia, representing the Airport Impact Reduction Force, spoke at some length regarding noise. She asked what the status was of the Noise Regulations, and if the proposed resolution was an interim policy.

Mr. Heath said that the purpose of the resolution before the Commission was to adopt a new interim policy to deal with new air carriers, and to have it in writing immediately. Mr. Heath said that he thought it premature for the Commission to take unilateral action before the Joint Land Use Committee makes its recommendations.

Mrs. Maraviglia read some figures from the latest Noise Abatement Center report, indicating a recent increase in operations and noise. She urged passage of the resolution and agreed with Mr. Lilly about the regional transportation plan and the possible jeopardy of Federal funds. Mrs. Maraviglia said that this resolution was a small step in rectifying the problems which had increased during the past summer and hoped that noise regulations would not be delayed until the Joint Land Use Study is completed.

Commissioner Kadish said that there was no intent to put off action for a year, but any such action must be coordinated with the work done by the Land Use Study Committee; it would not be wise to preempt the skill and expertise of that group.

Mrs. Maraviglia told of actions taken at Massport, such as a curfew from 10 p.m. until 7 a.m.

Mr. Heath said that this was correct: Boston had applied a night curfew for certain passenger aircraft. Also, he said that last week San Diego passed a resolution instituting a one-year moratorium on new carriers. He said that the Federal government had not defined and had refused to define the responsibility and authority of local airport operators. He said that in some instances, the FAA has defined the responsibility but not the authority of airport operators.

Commissioner Kadish said that a matter of this importance should require the consideration of more than three members of the Commission, since there have been suggested revisions and additions from RAPC, AirForce, San Francisco Tomorrow and the Chamber of Commerce. She suggested that the staff revise the resolution and bring it back to a future meeting for action.

Commissioner Goosby suggested the following wording for paragraph three: "It shall be the general policy of the Airports Commission to require that air carriers agree to exclusively utilize aircraft which are certified as meeting the noise requirements of Federal Aviation Regulation, Part 36, throughout the time this policy is in effect."

Commissioner Bernstein reiterated that all Commissioners were in agreement that directing carriers to Oakland be deleted.

The item was put over for future consideration.

* * *

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

(3) Eastern Airlines

No. 78-0339

Recommendation for the acceptance of Landing Fees Agreement, and approval of operations.

Mr. Heath spoke of the beginning of Eastern's operations, and said that when the first A300 aircraft took off, Mayor Feinstein had asked for a monitoring report. He said that the monitors were unable to pick up any increased noise.

Mr. Frank Stulgaitis, Manager of Sales and Services, made a presentation on behalf of Eastern Airlines. He said that two A300's make two flights daily to Atlanta and back, the principal connecting point. He said that their L-1011 makes one daily flight from San Francisco to Miami and on to San Juan. He spoke of anticipated increased service from San Francisco to St. Louis, possibly three daily flights. Mr. Stulgaitis said that the A300, which carries 24 first class passengers and 216 in coach, is well below the FAR 36 noise level, and is one of the quietest planes flying today. Mr. Stulgaitis related the progress of instituting service at San Francisco, beginning with the first contacts with staff and various airline personnel, at which time it was decided that the most expeditious operation would be through Western Airlines, as there would be compatibility of schedules, wide-body gates, etc. He said that Commission staff had advised

Eastern to work directly with Western, which they did. He said that all plans were reviewed and approved by Airport staff. Mr. Stulgaitis said that Eastern provides passenger service personnel only; all other services for ramp and gates, etc., are handled by Western. He said that Eastern has requested the Air California space when that airline moves to the North Terminal Building with the anticipation that Eastern's operations will continue to be handled by Western.

Commissioner Goosby asked if, in addition to the presently scheduled three daily flights, there would be three additional flights if the St. Louis route was added.

Mr. Stulgaitis said that that was correct.

* * *

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was unanimously approved:

(4) Western-Continental Merger

No. 78-0340

Western Airlines and Continental Airlines request the support of the Airports Commission in CAB proceedings dealing with the proposed merger of the two airlines.

Mr. Tim Cole, Director of Public Affairs for Continental Airlines, made a presentation asking support of the proposed resolution. Mr. Cole said that Continental and Western had investigated the possibility of such a merger, weighing public benefits and benefits to both airlines. He said that after six months study, the merger was agreed upon, and an application filed with the CAB.

Mr. Cole said that it was necessary to gain the support of the cities they served and the Chambers of Commerce of those cities. He spoke of the benefits to be gained through increased efficiency of an integrated work force; new fare savings in excess of \$250 million in three years based on a 60 percent load factor; if other airlines pick up this same type of load factor, there would be \$3 billion saved in three years throughout the industry. Mr. Cole said that San Francisco would get new or improved service to 17 cities, through direct flights or connections, with no additional flights. He said that various new cities would be opened to San Francisco, and Continental has received new South Pacific and Far East routes through Honolulu.

Mr. Cole spoke of the greatly improved financial stability that will be achieved through the merger, saying that while both airlines are small regional carriers, deregulation had brought about an era of uncertainty. He said that the merger will also aid in generating additional money for new, quieter aircraft, to assist with the noise problem. Mr. Cole said that Continental had all FAR 36 certified aircraft, and while he could not speak of Western's fleet, the merged airline would follow all Federal regulations.

Commissioner Kadish asked if there had been any protest to this merger.

Mr. Cole responded there had been no protest and some support indicated.

Mr. Heath said he had written the Airlines Policy Committee asking if any airlines objected to the merger but had received no response.

* * *

No motion was made regarding the following resolution, but the following discussion took place:

(5) Pan-Am/National Merger

Pan American Airlines and National Airlines request the support of the Airports Commission in CAB proceedings dealing with the proposed merger of the two airlines.

Mr. Heath said that no one was present to represent Pan-Am. He suggested that the item should be considered at a future meeting.

Mr. Myron Verville, representing Eastern, said that his airline had made an application with the CAB on December 13, asking that Eastern's application to merge with National be included in the Pan-Am/National/Texas International Case. Mr. Verville said that he understood a decision would be made on December 20th allowing Eastern to become a party to the case.

Commission President Kadish ordered the item be put over to a future meeting.

* * *

On motion of Commissioner Goosby, seconded by Commissioner Bernstein, the following resolution was unanimously approved:

(6) Policy on Tenant Approval of Design

No. 78-0341

Resolution establishing a policy of a two-week limit on tenant review of terminal design drawings.

Mr. Heath said that this resolution concerned the policy of instituting a deadline on tenant approval which had been discussed at the December 5th meeting. He said that the questions raised by Commissioner Goosby at that time had been resolved. Mr. Heath said that this item deals only with the tenants' approval of designs.

A representative of the Airlines Policy Committee objected, saying that two weeks was not sufficient time to review drawings which are often sophisticated. He said that Airport staff often takes four to six weeks for their review, and the airlines should be granted an equal amount of time.

Commissioner Kadish said that it was her understanding that the airlines are participant to the preparation of recommendations about design and construction, so they have ample time for preliminary review.

The Airlines Policy Committee representative said that this was probably correct.

Commissioner Kadish then asked if it was accurate that staff took four to six weeks for their review.

Mr. Heath said it was accurate.

Mr. Robert Lee, Deputy Director and Chief Engineer, said that the review normally takes four weeks, but staff does not have the benefit of working together on the initial design.

Mr. Heath said the problem stems from the situation in which Airport staff first works with a Technical Review Committee and thus having an airline change its mind. He said that this has caused millions of dollars in delays of construction, and a deadline must be instituted to correct this. He said that the airline and staff review are not comparable, as the airlines are privy to designs as they are worked on, while the staff sees them for the first time when they get them for review. He referred again to the open invitation given the airlines last year to participate every step of the way, such as on the budget.

The Airlines Policy Committee representative said that they had no quarrel with proceeding in an orderly fashion, but they do not feel two weeks was sufficient time.

Commissioner Goosby suggested three weeks.

Mr. Heath replied that there was a provision to grant an extension of time which will be done if the airlines indicate the need for additional review time.

Commissioner Kadish said that it was necessary to avoid any unnecessary expense and if these delays contribute, the item must be passed.

Commissioner Goosby said that he would agree if there was an option for the Director to grant more time.

* * *

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

- (7) Approval of 1979 Budget, San Francisco Airport Architects, Master Architect Services.

No. 78-0342

Resolution approving the 1979 budget for San Francisco Airport Architects under Modification No. 1 to the agreement to provide continuing master architect services. The remaining unexpended balance of approximately \$90,000.00 from the 1978 Budget will be carried over to fund services for calendar year 1979.

Approval of the budget is required annually by Commission in accordance with Section C(3) of the Agreement otherwise contract shall be terminated automatically.

In addition, Modification No. 1 will extend the completion date of the "Master Plan Brochure" from 6 months to 12 months after the original effective date of the agreement.

Mr. Heath said that this resolution approved the 1979 budget for SFAA for architectural services for them to bring the entire Master Plan up to date.

* * *

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolutions were unanimously adopted:

- (8) Professional Services Contract, \$21,150.00
Valuation Counselors, Inc.

No. 78-0343

Resolution approving a professional services agreement with Valuation Counselors, Inc. to provide a certified appraisal report of the properties of the San Francisco International Airport as of June 30, 1978 at a cost not to exceed \$21,150.00.

A property appraisal is required by Charter every five years. The last appraisal was performed in fiscal year 1973-74.

- (9) Completion of Professional Services Agreement, John F. Brown Company.

No. 78-0344

Resolution accepting work performed under Professional Services Agreement with John F. Brown Co. as satisfactorily completed, approves a credit modification of \$2,300.36 and final payment of \$814.14.

Mr. Heath said that the first item was to approve acceptance of the low bid on an appraisal report of the properties of the Airport, which must be done every five years and the second item accepted the completion of the contract with John F. Brown Company.

* * *

On motion of Commissioner Goosby, seconded by Commissioner Bernstein, the following resolution was unanimously approved:

- (11) Award of Contract No. 1190, Miscellaneous Coverings, North Terminal, "H" & "I" and Connector, \$10,683.00.

No. 78-0338

Resolution awarding Contract No. 1190, Miscellaneous Coverings, North Terminal, "H" & "I" and Connector, in the total amount of \$10,683.00 to Thomas-Swan Signs.

The work consists of providing plastic graphic panels and directory holders at white courtesy phones, plastic covers at fire hose cabinets and stainless steel and plastic covers for utility openings in precast column jackets in various locations in North Terminal and Boarding Area "H" & "I" and Connector.

Mr. Heath said that this item concerned a contract authorized on November 21, 1978. He said that the engineer's estimate was higher than the actual bid.

* * *

On motion of Commissioner Goosby, seconded by Commissioner Bernstein, the following resolution was unanimously approved:

- (12) Modification No. 3 (Debit), Airport Contract No. 650D, Ratifying Action of Director of Airports on Change Orders, North Terminal Interior, Design Elements, \$22,824.00

No. 78-0346

Resolution approving and ratifying the action of the Director of Airports in approving Change Orders 4, 5 and 6, and requesting the Controller's certification of Modification No. 3 to Airport Contract No. 650D, North Terminal Interior Design Elements.

This modification provides carpet in toilet vestibules on second level, Boarding Area I and Hub; demolishes existing partition walls and installs metal frames at openings; installs plaster closure at Bank of America lease space; installs plate washers at telephone enclosures, relocates hotel/motel phone enclosure; provides conduit and junction boxes for public telephone; and relocates metal partitions in locker rooms

Mr. Heath said that there were two change orders on the North Terminal interior design for items not included in the original bid specs, but needed to be included. He said that responsibility would be evaluated at the end of the contract.

Commissioner Kadish had a question on change order No. 4, which quoted a price of \$65 per square yard in place for carpeting.

Mr. Leonard Blackford, of San Francisco Airport Architects, explained there were several small pieces to put in eight or ten different locations on walls, not floors.

Commissioner Kadish said she considered this an outrageous figure.

Mr. Heath asked Mr. Blackford if his cost estimator had looked at the figure.

Mr. I. Grindheim, of Construction Management Consultants, said there were other items included besides the carpet; there was considerable work involved, corners, wall fill, reworking of ceilings, and metal trim which alone would cost \$2,000.00.

Commissioner Kadish commented that this was not an accurate description.

Mr. Heath said that it was normal work for installation of carpeting on walls.

Mr. Grindheim said it came to about \$20.00 per yard, 1,744 square feet, with the labor charge included.

* * *

On motion of Commissioner Goosby, seconded by Commissioner Bernstein, the following resolution was unanimously approved:

- (13) Modification No. 41, Airport Contract No. 1000 (Debit) Garage: Stage IV - Superstructure Addition, \$32,908.00

No. 78-0347

Resolution approving and requesting the Controller's certification of Debit Modification No. 41 to Airport Contract No. 1000, in the total debit amount of \$32,809.00.

Provides necessary remedial work to restore the inundated areas of the project site to the June 10, 1977, 4:30 PM, condition. Flooding of the work site resulted from a watermain break near the second level garage exit on the existing lower roadway.

Mr. Heath explained that this additional cost was caused by a break in the water main which saturated the garage and necessitated considerable work under the Garage contract which, of course, was not anticipated during the original contract.

Commissioner Kadish asked what kind of insurance was carried to cover this kind of damage.

Mr. Heath told her that the Airport was self-insured.

Mr. Ronald Wilson, Acting Deputy Director for Operations and Maintenance, explained the contract included insurance only during the construction phase.

Commissioner Kadish asked if that insurance would cover the break in the water main in the ceiling.

Mr. Heath said that for this kind of occurrence, the Airport was self-insured. He explained further that it would be impossible for the Airport to obtain the same sort of insurance as a small householder carries.

Commissioner Bernstein asked who was to blame when a water main breaks in new construction.

Mr. Heath told him that this water main break had no connection with the construction, it was an old main and breakage was due to its age.

Mr. Grindheim explained that when the break occurred, water ran into the floor of the garage exit. He said that Airport people did not have adequate equipment to repair the main so it was put under the contract. He said that it was necessary to have immediate repairs to get the Garage open again.

Mr. Grindheim said that he was working with Mr. James Wood, Deputy City Attorney, to check on electrical equipment in new construction contracts. He suggested that additional insurance be bought so that the equipment could be speedily repaired and not replaced in kind.

Mr. Garibaldi said the Airport was not insured for this particular incident.

Commissioner Bernstein asked what the average percent of modifications was on contracts.

Mr. Lee answered that on a large contract, mods ran five to six percent; on smaller contracts, one modification alone might cost up to eight percent.

* * *

On motion of Commissioner Goosby, seconded by Commissioner Bernstein, the following resolutions were unanimously approved:

- (14) Modification No. 42 (Debit), Airport Contract No. 1000, Garage: Stage IV - Superstructure Addition, \$30,085.00.

No. 78-0348

Resolution approving and requesting the Controller's certification of Debit Modification No. 42 to Airport Contract No. 1000 in the total amount of \$30,085.00.

This work provides for installation of conduits and mountings for City and Garage Operator telephone service in the garage.

- (15) Modification No. 43 (Debit), Airport Contract No. 1000, Garage: Stage IV - Superstructure Addition, \$140,707.00

No. 78-0349

Resolution approving and requesting the Controller's certification of Debit Modification No. 43 to Airport Contract No. 1000 in the total debit amount of \$140,707.00.

The work completes specific areas of Contract 1000 which are essential to operating the North Terminal Complex prior to the terminal's scheduled opening date.

- (16) Modification No. 5 (Extension of Time) Airport Contract No. 1006, North Terminal Complex - Graphics.

No. 78-0350

Resolution approving and requesting the Controller's certification of Modification No. 5 to Airport Contract No. 1006, North Terminal Complex, Graphics.

This modification grants a 60 calendar day time extension for the completion of all work under the contract at no cost to the City. All signs will be completed and installed prior to the scheduled opening of the North Terminal facility.

Mr. Heath explained that the modifications to Contract 1000 are for telephones for the staff phone system in the central heating plant, items which were not included in the original drawings. He said that there is also a modification to fund overtime work in order to have the North Terminal open on schedule. He said that responsibility will be determined at a later time.

* * *

On motion of Commissioner Goosby, seconded by Commissioner Bernstein, the following resolution was unanimously adopted:

- (17) Tenant Improvement: Atlantic Richfield Company Bulk Fuel Storage Area, Replacement of Electrical Substation, \$33,000.

No. 78-0351

Resolution approving the final plans and specifications submitted by Atlantic Richfield Company showing the installation of a new substation at their Bulk Fuel Storage Area to tie into the Airport's new 12KV distribution system. This substation will replace the existing substation which ties into the existing 4KV distribution system, which is being abandoned.

The work will be done by ARCO at its own and sole expense and without rental credit. The estimated cost is \$33,000.00.

* * *

On motion of Commissioner Bernstein, seconded by Commissioner Goosby, the following resolution was unanimously adopted:

(18) No. 78-0352

Resolution awarding Contract No. 1114, Landscaping and Street Furniture, in the total amount of \$129,769.00 to A and J. Shooter & Associates.

The work consists of providing planters, plants, benches, ashurns, trash receptacles and an irrigation system for the upper and lower level sidewalks and traffic islands in front of the new North Terminal similar to that provided for the Central and South Terminals.

Mr. Heath explained this contract was authorized previously by a resolution, and the bid came in very low, as the engineer's estimate had been \$169,000.

Commissioner Kadish asked if it was a large firm which could absorb any loss should such occur.

Mr. Heath said that he assumed it was.

* * *

6. Director's Report:

A. Report on Washington, D.C. AOCI meeting.

Mr. Heath said that information on this was included in the Commissioners' packets.

B. Selection of Architects for Small Projects.

Mr. Heath spoke to the selection process for architects for smaller projects. He said that the Fire House architects had withdrawn, and the project will be included in the smaller project process. He said that if the proposed procedure is acceptable, staff will proceed and come back with an appropriate resolution. He said that a committee consisting of Howard Friedman, Airport architectural consultant; Mr. Lee, Deputy Director; and Jason Yuen, Chief Architect; will review the names of smaller architectural firms and narrow the selection to approximately 15 firms for Commission approval. He said that then Commissioners Kadish and Goosby, along with five staff members and Mr. Heath, will recommend a firm for each project. He said that the suggested firm will then be asked to make a presentation to the Commission. He said that the Commission will make the final decision on acceptance or rejection.

* * *

C. Presentation about FIRM System

Mr. Vic Rosa, representative from the Mayor's FIRM Project, gave a presentation about the FIRM (Financial Information and Resources Management) System, a system which will shortly be implemented at the Airport.

. Introduction of New Business by Commission

No new business was introduced.

. Adjournment:

There being no further business before the Commission, the meeting was adjourned at 5:34 P.M.


Eric Craven
Commission Secretary

SAN FRANCISCO AIRLINES POLICY COMMITTEE
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

December 18, 1978

SAN FRANCISCO AIRPORTS COMMISSION

Subject: 1979-80 San Francisco Int'l.
Airport Budget

My December 4 telegram to the Commission stated the Airlines' strong objection to the lack of time provided us to review the 1979-80 Airport budget. We were advised later that additional time would not be provided.

In order to make the limited comments that this impossible schedule permitted, several Airlines representatives met in San Francisco on December 14 and discussed the budget with Peter Singer and Mary Callanan. We will provide our observations here, but the Commission should bear in mind that we are not by implication endorsing items we do not specifically comment on - the scope and detail of our review did not permit this. This letter incorporates by reference, the December 4 telegram and the objections stated therein. Additionally, we object to any contemplated increases in rates or charges until the past revenue diversion matter is resolved.

Exhibit 2 - Proposed Expense Budget - Non-Controllable Capital. The airlines repeat their objection to inclusion of the \$820,000 payment to the General Obligation Sinking fund and the \$2,000,000 repayment to the general fund on the same basis made known to the Commission with respect to prior budgets.

Controllable Costs. Personnel and Fringes. We object to the number of positions added which in the face of it appears higher than justifiable.

Visitor Services. We strongly object to this \$1 million program. No need has been proven. On a few conclusory statements a huge program is to be founded. (Ref. Costas/Heath 9/19/78 memo.) The airlines are equipped to handle most passenger informational needs and meet these day in and day out. If the Commission perceives that deficiencies exists, the specifics should be shared with the airlines' Station Operations Committee for a cost-effective solution. We understand that Airport staff will do this. The same comments pertain to the \$612,000 Promotional Expenses item found in contractual services, and to the \$30,000 Travel Services/Community Relations program, with the additional comment that the Airport should continue to pursue its efforts to interest a new commercial enterprise to handle certain of these publicity functions on a revenue producing basis. Certain of the items in the Promotional Expenses budget (ref. Hanson/Callanan 10/12/78 memo) such as annual report, tour guide and handicap services brochure are not objected to. The "Ground Access Public Information Program" should be scaled down substantially and limited to the times of year warranted by roadway congestion.

Exhibit 4: Contractural Services - Ramp Access Security. We object to magnitude of this \$555,000 item. The Airport should evaluate a simple, less expensive, automatic, card-controlled access system which would eliminate the need to add six job positions.

Promotional Expenses. See above.

Legal Services. The Airport should not have to pay for attorneys engaged to promote the City's developmental interests at the CAB. Any such expenses should be strictly City expenses (\$30,000 item).

Marketing. A real frosting on the cake item. Airport staff is capable of handling this function, as do Airport staffs across the country. In our experience, this is a unique and cost ineffective expense and should be deleted (\$35,000 item).

Exhibit 5 - Capital Projects. Two basic objections to this \$12,652,000 (gross) expense, a 58% increase over last year's budget. First, the airport has not provided the airlines with the required technical review of these projects which would address such questions as: Why do them at all? Why now? What alternatives? What cost savings are possible? Are any other projects of greater necessity not included? Unfortunately, time has been lost since March 1978 when certain of these items were first identified, while neither the airlines nor the Airport took the initiative to undertake a joint technical review. We are initiating these discussions immediately with the Airport and will provide the results of our analysis as soon as they are available, at whatever stage in the City budget process the Airport's budget finds itself at that time.

Our second objection goes to the source of funding with which the Airport proposes to finance these capital projects. The airlines have continued to object to the financing of large, long-term capital projects out of current income (landing fees and rental income). Yet this subversion of good financial management and generally accepted accounting principles, and violation of contractual agreements with the airlines and the Master Bond Resolution, are continued in this budget. We recommend total deletion of these capital items from the present budget until the necessary technical review is completed except to the extent necessary to satisfy ADAP requirements. Whatever then remains of these capital items should be funded out of capital sources.

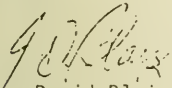
Exhibit 6 - Equipment Budget Request. Has the Airport staff thoroughly checked the feasibility and cost savings inherent in obtaining surplus equipment from the military and other government agencies? As one limited example, we understand that California Highway Patrol automobiles are available to local governmental units for purchase at low cost. Also, where does the income appear from trade-in or salvage by the Airport of its equipment which this new equipment is (in part) replacing? Several of the items on their face appear more expensive than necessary:

One Paint Shop Compressor @ \$23,000; One Loader-Maintenance @ \$23,000; One Mobile Crane - Mechanical Maintenance @ \$150,000; One Paint Truck Painters @ \$80,000. Are some of the large equipment purchases unnecessary, because current similar equipment is already owned by other City Departments and available for Airport use on some reasonable charge-back basis? Conversely, could certain Airport equipment (already on hand or proposed for purchase) be made available to other City departments at a reasonable charge, thus offsetting Airport costs?

The airlines have had no time to even begin exploring the revenue estimates of this budget (Exhibit 2) or to match up this year's budget up with last year's. Whereas the 78-79 Budget comparison shows a \$3M+ surplus carryover, no such carryover is included in the 79-80 revenue estimate. We note that were the capital items reduced as suggested above and a surplus carryover included, there would be no need for forecast rate and charge increases.

In summary, the airlines are again denied ample time to review the budget with the Commission and Airport staff. This state of affairs is ironical, in that it is caused by the City demanding an abundance of time to review the Airport budget to which it contributes not a penny. This is bad public management. We urge the Commission to take practical steps toward restoring this Airport to what it is supposed to be: A joint enterprise between the public and private sectors.

Sincerely,


Jan David Blais

Chairman

San Francisco Airlines Policy Committee

SAN FRANCISCO AIRLINES POLICY COMMITTEE
SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

December 18, 1978

SAN FRANCISCO AIRPORTS COMMISSION

Subject: 1979-80 San Francisco Int'l.
Airport Budget

My December 4 telegram to the Commission stated the Airlines' strong objection to the lack of time provided us to review the 1979-80 Airport budget. We were advised later that additional time would not be provided.

In order to make the limited comments that this impossible schedule permitted, several Airlines representatives met in San Francisco on December 14 and discussed the budget with Peter Singer and Mary Callanan. We will provide our observations here, but the Commission should bear in mind that we are not by implication endorsing items we do not specifically comment on - the scope and detail of our review did not permit this. This letter incorporates by reference, the December 4 telegram and the objections stated therein. Additionally, we object to any contemplated increases in rates or charges until the past revenue diversion matter is resolved.

Exhibit 2 - Proposed Expense Budget - Non-Controllable Capital. The airlines repeat their objection to inclusion of the \$820,000 payment to the General Obligation Sinking fund and the \$2,000,000 repayment to the general fund on the same basis made known to the Commission with respect to prior budgets.

Controllable Costs. Personnel and Fringes. We object to the number of positions added which in the face of it appears higher than justifiable.

Visitor Services. We strongly object to this \$1 million program. No need has been proven. On a few conclusory statements a huge program is to be founded. (Ref. Costas/Heath 9/19/78 memo.) The airlines are equipped to handle most passenger informational needs and meet these day in and day out. If the Commission perceives that deficiencies exist, the specifics should be shared with the airlines' Station Operations Committee for a cost-effective solution. We understand that Airport staff will do this. The same comments pertain to the \$612,000 Promotional Expenses item found in contractual services, and to the \$30,000 Travel Services/Community Relations program, with the additional comment that the Airport should continue to pursue its efforts to interest a new commercial enterprise to handle certain of these publicity functions on a revenue producing basis. Certain of the items in the Promotional Expenses budget (ref. Hanson/Callanan 10/12/78 memo) such as annual report, tour guide and handicap services brochure are not objected to. The "Ground Access Public Information Program" should be scaled down substantially and limited to the times of year warranted by roadway congestion.

Exhibit 4: Contractural Services - Ramp Access Security. We object to magnitude of this \$555,000 item. The Airport should evaluate a simple, less expensive, automatic, card-controlled access system which would eliminate the need to add six job positions.

Promotional Expenses. See above.

Legal Services. The Airport should not have to pay for attorneys engaged to promote the City's developmental interests at the CAB. Any such expenses should be strictly City expenses (\$30,000 item).

Marketing. A real frosting on the cake item. Airport staff is capable of handling this function, as do Airport staffs across the country. In our experience, this is a unique and cost ineffective expense and should be deleted (\$35,000 item).

Exhibit 5 - Capital Projects. Two basic objections to this \$12,652,000 (gross) expense, a 58% increase over last year's budget. First, the airport has not provided the airlines with the required technical review of these projects which would address such questions as: Why do them at all? Why now? What alternatives? What cost savings are possible? Are any other projects of greater necessity not included? Unfortunately, time has been lost since March 1978 when certain of these items were first identified, while neither the airlines nor the Airport took the initiative to undertake a joint technical review. We are initiating these discussions immediately with the Airport and will provide the results of our analysis as soon as they are available, at whatever stage in the City budget process the Airport's budget finds itself at that time.

Our second objection goes to the source of funding with which the Airport proposes to finance these capital projects. The airlines have continued to object to the financing of large, long-term capital projects out of current income (landing fees and rental income). Yet this subversion of good financial management and generally accepted accounting principles, and violation of contractual agreements with the airlines and the Master Bond Resolution, are continued in this budget. We recommend total deletion of these capital items from the present budget until the necessary technical review is completed except to the extent necessary to satisfy ADAP requirements. Whatever then remains of these capital items should be funded out of capital sources.

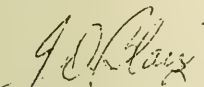
Exhibit 6 - Equipment Budget Request. Has the Airport staff thoroughly checked the feasibility and cost savings inherent in obtaining surplus equipment from the military and other government agencies? As one limited example, we understand that California Highway Patrol automobiles are available to local governmental units for purchase at low cost. Also, where does the income appear from trade-in or salvage by the Airport of its equipment which this new equipment is (in part) replacing? Several of the items on their face appear more expensive than necessary:

One Paint Shop Compressor @ \$28,000; One Loader-Maintenance @ \$83,000; One Mobile Crane - Mechanical Maintenance @ \$150,000; One Paint Truck Painters @ \$80,000. Are some of the large equipment purchases unnecessary, because current similar equipment is already owned by other City Departments and available for Airport use on some reasonable charge-back basis? Conversely, could certain Airport equipment (already on hand or proposed for purchase) be made available to other City departments at a reasonable charge, thus offsetting Airport costs?

The airlines have had no time to even begin exploring the revenue estimates of this budget (Exhibit 2) or to match up this year's budget up with last year's. Whereas the 78-79 Budget comparison shows a \$3M+ surplus carryover, no such carryover is included in the 79-80 revenue estimate. We note that were the capital items reduced as suggested above and a surplus carryover included, there would be no need for forecast rate and charge increases.

In summary, the airlines are again denied ample time to review the budget with the Commission and Airport staff. This state of affairs is ironical, in that it is caused by the City demanding an abundance of time to review the Airport budget to which it contributes not a penny. This is bad public management. We urge the Commission to take practical steps toward restoring this Airport to what it is supposed to be: A joint enterprise between the public and private sectors.

Sincerely,



Jan David Blais
Chairman

San Francisco Airlines Policy Committee

